MBHASHE LOCAL MUNICIPALITY

AUDITED ANNUAL REPORT 2024/25 FY

2024/25 FINANCIAL YEAR

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MAYOR'S FOREWORD

IT IS MY PLEASURE TO PRESENT THE 2024/25 ANNUAL REPORT OF THE MBHASHE LOCAL MUNICIPALITY.

It is with great pride and satisfaction that I present the Municipality's Annual Report for the 2024/2025 Financial Year. This report showcases our key achievements and the vision that has guided our work during the year under review.

As we present the annual report for the 2024/25 financial year, I confirm that the report has been compiled in line with the Local Government: Municipal Systems Act 32 of 2000 as amended, the Local Government: Municipal Finance Management Act 56 of 2003, Municipal Budget and Reporting Regulations as well as National Treasury Circular No. 63 that outlines Annual Report Guidelines.

We remain dedicated in our commitment to serving our communities as a model of good governance, while working eager to sustain and enhance municipal performance. I am pleased to report that the Municipality has received an unqualified audit opinion from the Auditor-General for the 2024/25 financial year. This outcome demonstrates that our financial statements are fairly presented, and it reinforces our commitment to sound governance.

A year defined by resilience, progress, and the unshakable belief that our community deserves nothing less than excellence. As a Municipality, we remain focused on delivering basic, quality services to our residents. The Municipality's council will continue to fulfil its oversight role by ensuring the effective implementation of our developmental plans and strategic objectives. The Annual Report serves not only as a reflection of the past year but also as a strategic guide for the future. It captures the collective aspirations of our residents, businesses, and stakeholders, and reaffirms our commitment to building a sustainable, inclusive, and booming municipality for all. Our journey is far from over. We must now accelerate service delivery, strengthen our local economy, and ensure that no household is left behind. Let us reject division and negativity and instead, rally behind a shared vision of a municipality that is vibrant, safe, and prosperous.

Our focus for the coming year is clear:

- Accelerate the provision of basic services.
- Strengthen local economic development initiatives to create jobs and opportunities.
- Deepen community engagement to ensure every resident's voice is heard in our decision-making.
- Uphold transparency, accountability, and good governance in all that we do.

The road ahead demands unity and commitment. Let us move forward together building a municipality that works for everyone, where service delivery is not a promise but a lived reality.

I extend my heartfelt thanks to the Council, the Municipal Administration, our employees, and our community members for their invaluable contributions and support. Together, we will continue to build a municipality that we can all be proud of.

Yours in Developmental Local Government

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COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

It is my privilege to present the Municipal Manager's summary of the 2024/2025 Annual Report, which reflects the progress, challenges, and lessons of the past financial year. This report provides a transparent account of how the municipality has utilised its resources to deliver on its mandate of providing basic services, promoting socio-economic development, and ensuring sound governance.

As the accounting officer of the Mbhashe Local Municipality, I confirm that the 2024-2025 Annual report has been compiled in line with the Local Government Municipal Systems Act 32 of 2000, the Local Government Municipal Finance Management Act 56 of 2003 and section 46 of MSA, 32 of 2000 as well as the format prescribed by National Treasury and the purpose of the report is

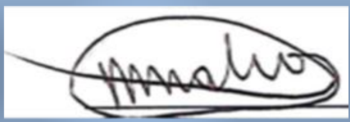
- To provide feedback on the activities of the municipality
- To provide a report on performance in the service delivery and budget implementation for the year end and,
- To promote accountability to the community for the decisions made from July 2024 to June 2025.

The municipality continues to closely monitor its financial health status to ensure effective and efficient financial administration. During the year under review the municipality embarked on various initiatives to try and improve financial management, these included initiatives on increasing debt collection by selecting the top business debtors, following up on them and offering interest discounts for customers who were willing to settle their outstanding balances.

The organisational performance at organisational level is managed and evaluated through the Service Delivery and Budget Implementation Plan. Through its Intergovernmental Relations (IGR) platform, the municipality regularly engages with sector departments to present and discuss planned projects and programmes. This approach ensures alignment of services for the Mbhashe community and helps prevent duplication of services.

The municipality should implement a sustainable legacy project capable of generating its own revenue to supplement the small grant funding received from National Treasury. By establishing such projects, the municipality will be able to extend basic service delivery to more wards and communities without relying solely on grant funding. In addition, the municipality should prioritise revenue collection in areas where it is currently not collecting but should be, as well as recover outstanding amounts from those who owe the municipality.

In conclusion, I extend my sincere appreciation to our Executive Mayor, Councillor S. Janda, for his steadfast guidance and support to both the administration and staff. My gratitude also goes to the Executive Committee and Council for their commitment and unwavering backing of the Municipality's operations. To my Senior Managers, Managers, and all staff members, I commend your dedication, professionalism, and selfless service in advancing the work of the Municipality.



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MUNICIPAL MANAGER

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CHAPTER 1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Mbhashe Local Municipality (EC 121) is a category B municipality which falls within the Amathole District Municipality (ADM) and consists of 32 wards, 63 Councillors and 2 Traditional leaders after local government elections. The municipality is strategically located in the South Eastern part of the Eastern Cape Province, and is bound by the Qhora River in the south to Mncwasa River in the north along the Indian Ocean. Mbhashe Local Municipality (MLM) occupies a strategic geographic position within the Amathole District municipality and covers approximately 3200 km² in extent (after the last national elections). There are three main urban centres, namely Dutywa, Gatyana and Xhora. Dutywa is the administrative head centre of the municipality. Mbhashe has earned the name from the beautiful river called Mbhashe which flows from the banks of Ngcobo flowing through Dutywa Gatyana and Xhorha. Mbhashe is comprised of the three towns, Dutywa, Gatyana and Xhora and numerous rural settlements. The area also boasts the head offices of the AmaXhosa Kingdom at Nqadu Great Place.

Population Size and Distribution

Mbhashe Local Municipality (Census 2022) has total population of 240 020 with a household of 52 715 resulting to a household size increase of 4.6% as per the statistical overview of Census 2022. When compared to other regions, the Mbhashe Local Municipality accounts for a total population of 240,000, or 27.5% of the total population in the Amatole District Municipality, which is the most populous region in the Amatole District Municipality for 2022. In terms of its share the Mbhashe Local Municipality was slightly larger in 2021 (31.6%) compared to what it was in 2011 (30.7%). When looking at the average annual growth rate, it is noted that Mbhashe ranked second (relative to its peers in terms of growth) with an average annual growth rate of 0.5% between 2011 and 2021.

POPULATION BY POPULATION GROUP, GENDER AND AGE

CHAPTER 1

Table 1: Population size

	2001	2011	2022
Total Population	271 709	261 670	*240 020*
Total Household	56 482	61 853	52 715
Household Size	*4.76*	*4.24*	*4.6*

(Extracted from Source: Stats SA) 2022

The statistics also reveals that the population is female dominated, therefore Mbhashe is most probably an area with high male out migration to look for work elsewhere. In total there were 128 883 (53.69%) females and 111 137 (46.31%) males.

Population Projection

For planning purposes, a projection of population till 2026 at a five-year interval is calculated and presented hereunder. The population projection of Mbhashe Local Municipality shows an estimated average annual growth rate of 0.9% between 2021 and 2026. Based on the present age-gender structure and the present fertility, mortality and migration rates, Mbhashe's population is projected to grow at an average annual rate of 0.9% from 279 000 in 2021 to 291 000 in 2026. In terms of results from 2022 Stats, it is evident that the population has decrease due to migration and possible the negative impact cause by Covid-19.

Age Distribution

An analysis by ECCSEC 2021 shows that the largest share of population is within the babies and kids (0-14 years) age category with a total number of 97 500 or 34.9% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 24.6%, followed by the teenagers and youth (15-24 years) age category with 55 900 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 23 800 people.

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Population Details									
									Population '000
Age	**Year -2**			**Year -1**			**Year 0**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**

Age: 0 – 14	68	64	132	68	64	132	97 500	97 500
Age:15-24							55 900	55 900
Age: 25 – 44	17	19	36	17	19	36	24.6%	24.6%
Age:65 & Older							23 800	23 800
Source: Statistics SA								
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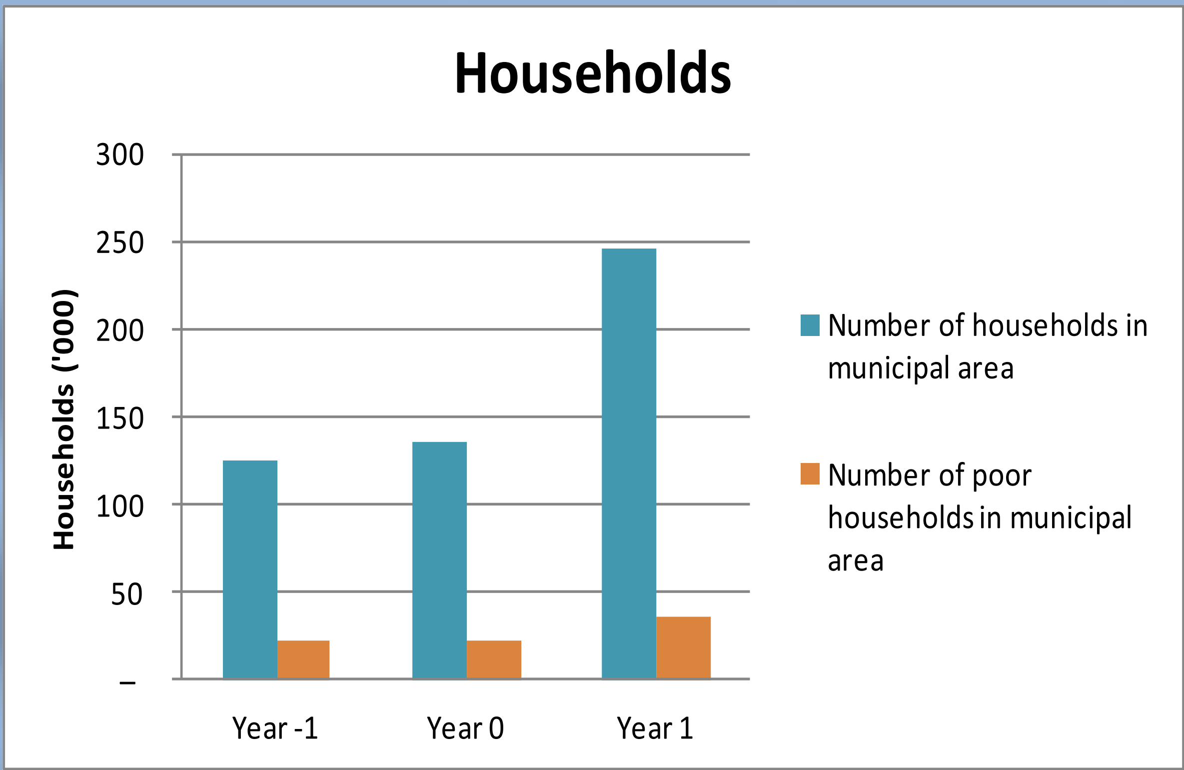

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Socio Economic Status						
Year	**Housing Backlog as proportion of**	**Unemployment Rate**	**Proportion of Households with no Income**	**Proportion of Population in Low-skilled**	**HIV/AIDS Prevalence**	**Illiterate people older**

	current demand			Employmen t		than 14 years
Yea r -2	33.00%	49.9%	14.00%	67.61%	28.4%	60.01%
Yea r -1	33.00%	93.00%	14.00%	33.00%	29.20%	60.01%
Yea r 0	44.4%	55.21%	30.8%	30.40%	28.8	9.2%
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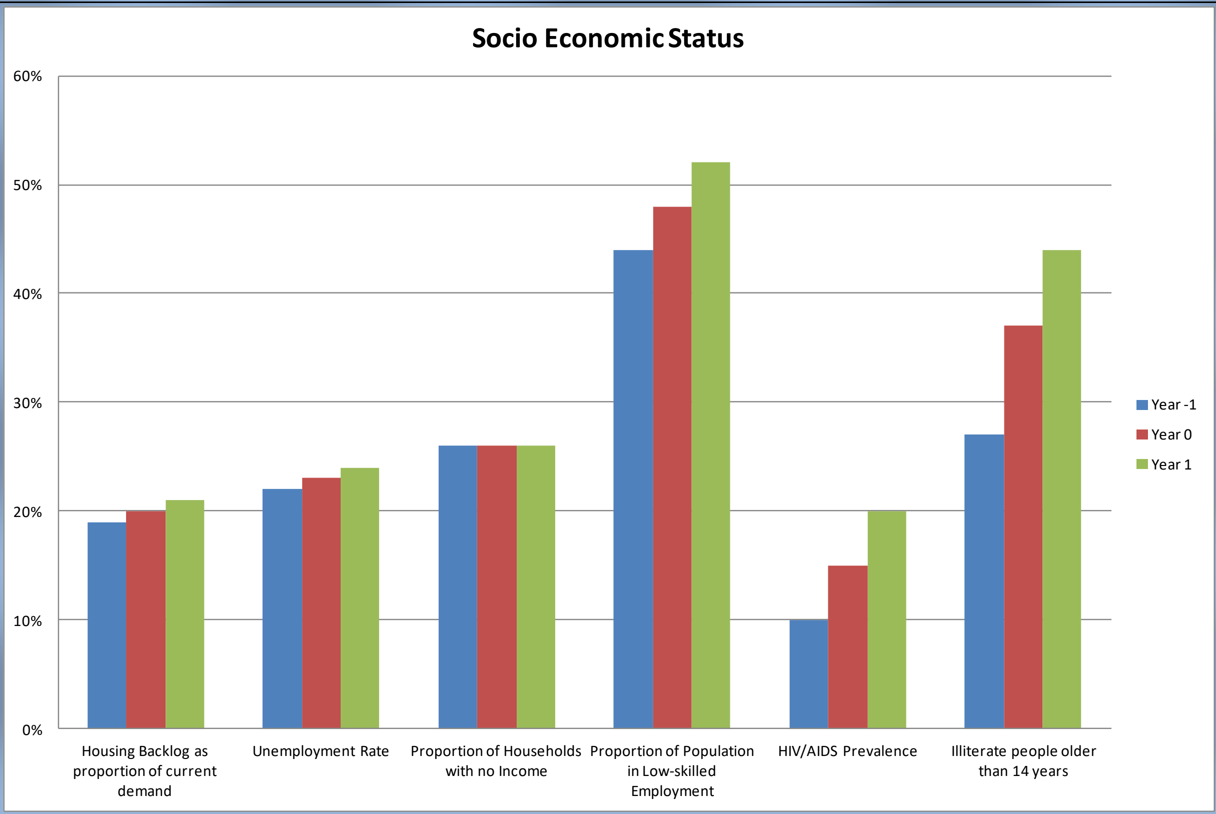

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OVERVIEW OF POPULATION WITHIN MBHASHE

Overview of Neighbourhood within Mbhashe Local Municipality		
SETTLEMENT TYPE	HOUSEHOLDS	POPULATION
TOWNS		
Dutywa	40230	11076
Gatyana	10521	2267
Xhora	11759	2513
Sub-total	62510	15856
URBAN POPULATION		
Urban	15856	6.2
RURAL POPULATION		
Rural	230897	93.8
Sub-total	246753	100
INFORMAL SETTLEMENTS		
Dutywa (GPO)	189	677
Dutywa (Zone 14)	250	2300
Gatyana (Police camp)	231	590
Agriculture	66	365
EmaBhaceni9	67	103
Sub-total	803	4035

T.1.2.6

NATURAL RESOURCES	
Major Natural Resource	Relevance to Community Granite sand, Cape Aloe & Gravel road material (Sabhunge)
Arable lands	High quality of soils suitable for crop production and animal farming
Forest assets or existing vast traits of land for future forestation	Existence of high demand for wood products with longer return on investments
Fisheries and Marine	Proven untapped potential for aqua-culture business
Coastline natural beauty	Undeveloped tourism offerings at coastline can be used to solicit good revenue
Heritage tourism	Heritage tourism can also bring more revenue in community through the established routes as such Phalo routes.
Mining	Many communities in Mbhashe are endowed with mining opportunities such as granite and sand, however these communities are not licenced to mine. Such opportunities need to be explored
T1.2.7	

COMMENT ON BACKGROUND DATA:

The primary sector agricultural activities taking place in Mbhashe Municipality is mainly focused on very low base crop production and livestock farming subsistence can be improved. The sector is underdeveloped and not diversified and had a subdued contribution to both the GDP and the GVA. Small-scale and subsistence farmers in the Municipality are not producing at optimal levels, due to a number of constraining factors. It is, therefore, important that emerging farmers are supported in expanding their farming activities into viable and sustainable enterprises that will not only increase the income generated and jobs created by these activities but will also grow sufficiently to form the basis of further beneficiation opportunities. The farming activities must also include the aqua-culture farming, forestry, and animal farming.

The development of the Tourism industry at Mbhashe LM is based on giving people a reason to come, a reason to stop, a reason to stay and a reason to spend. This means that any destination should first comprise a unique and specific asset, that people should be made aware of this asset in order to attract them to the destination, that they should be provided with a range of additional attractions and activities to ensure that they stay in the area for longer, which will then ensure that their money is spent at the location. Thus the municipality's strategic thrust is therefore, aimed at stimulating the development of the Tourism industry in Mbhashe Municipality, by taking full advantage of the unique cultural, coastal, historical and natural assets found in the Municipality. The purpose is therefore to ensure that these tourism attractions and activities are effectively developed and marketed, in order to establish Mbhashe Municipality as a unique and worthwhile tourism destination.

T1.2.8

A. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

In terms of service delivery, Mbhashe Local Municipality managed to achieve the total number of 18 Key Performance Indicators. On roads the Municipality constructed 13.4 kms out of 13.3 kms (of MIG funded projects) targeted for the annual target of new Roads, Mgxabakazi Access Road ward 22, Bolish to Nqabara Access Road ward 12. Riverview to Langeni Access road Ward 13, Msikithi Access road, Siyibane Access road Ward 8 and Skhobeni to Caba ward 37. have been completed. Ntlonyane Bridge Ward 20 and Mathunzini to Nqileni ward 26 are still on construction, they are expected to be completed in 2025/26 financial year. The municipality has also received funds from The Office of The Premier (OTP) to construct Dutywa Internal Streets section 2 Ward 1. The municipality maintained 103.2 Kms of gravel roads out of 60 targeted for the annual target through equitable share and intervention of Disaster funds. Ward 25 Sport facility has been completed and Ward 1, Ward 13 (additional work) and Ward 2 Sport facilities are in construction stage expected to be completed in 2025/26 financial year. The following projects are under construction namely: Emkhwezeni to Nqadu ward 3, Ntilini to Botwe ward 11, Ndudumeni to Tywaka ward 27, Bobani ward 15, Bolish to Nqabara bridge ward 12 access roads, Dutywa ward 1 and Willowvale ward 25 taxi ranks also constructed Gem community hall at Ward 8. Ntlahlane Access road is at hault due to (EIA) Environmental Impact Assessment approval . The main challenge that is facing the Municipality is the steep terrain within the Municipal jurisdiction which results to the high unit cost and limit the number of kilometers constructed in each financial year. The steep terrain and climate change also results to short life span of the roads on both construction and maintenance. Also, some of areas of the municipality are in an Environmental sensitive area and some of the projects are implemented late due to strictly approval conditions.

The Municipality is faced with huge backlogs on roads due to the vastness of the area. The MIG funds can only cater for **at least** 4 gravel roads whilst the Municipal has 32 wards. As a remedial action the Municipality planned to lobby for funding in other sector departments. The same challenge experienced on roads is also applicable on electrification. The Municipality does not generate much revenue as it made up by rural areas, only depending on Grant funding from National Treasury hence it has advertised for expression of interest for Service Provider to apply for funding on behalf of the Municipality also lobby funding from other sector department to address the huge backlog. The Municipality must Implement a legacy project that can generate revenue in order to support the small grant funding that the Municipality is receiving from National Treasury, by having those project the Municipality will cover a lot of wards (communities) with basic service delivery without solely depending on grant funding, also collect in areas where the Municipality is not collecting and suppose to collect and to those that are owing the Municipality.

ELECTRICITY - On Electricity Mbhashe Local Municipality achieved 11.3km's of link lines constructed at ward 8 as follows: Msikithi-6.7km's, Sibane-4.6km's. The municipality upgraded a total of 40 streetlights Ward 1- 20, Ward 25- 20. 1 high mast light energized at ward 13 and 3 high mast lights rehabilitated at ward 25. There is a backlog of 5098 households inclusive of extension and infill. INEP allocation was made available for the year 2024/25 FY with allocation of R9 029 000.00.

CHAPTER 1

WASTE MANAGEMENT - WASTE MANAGEMENT - Mbhashe municipality is responsible for providing Waste Management services to its areas of jurisdiction. Waste Management Services is the main municipal service rendered by Mbhashe and as such should receive the requisite attention from the institution. Since the establishment of Mbhashe LM in 2000, this service has generally been provided to urban areas and surrounding townships of Dutywa, Gatyana and Xhorha. The municipality had a recycling pilot project across all wards and provides waste services.

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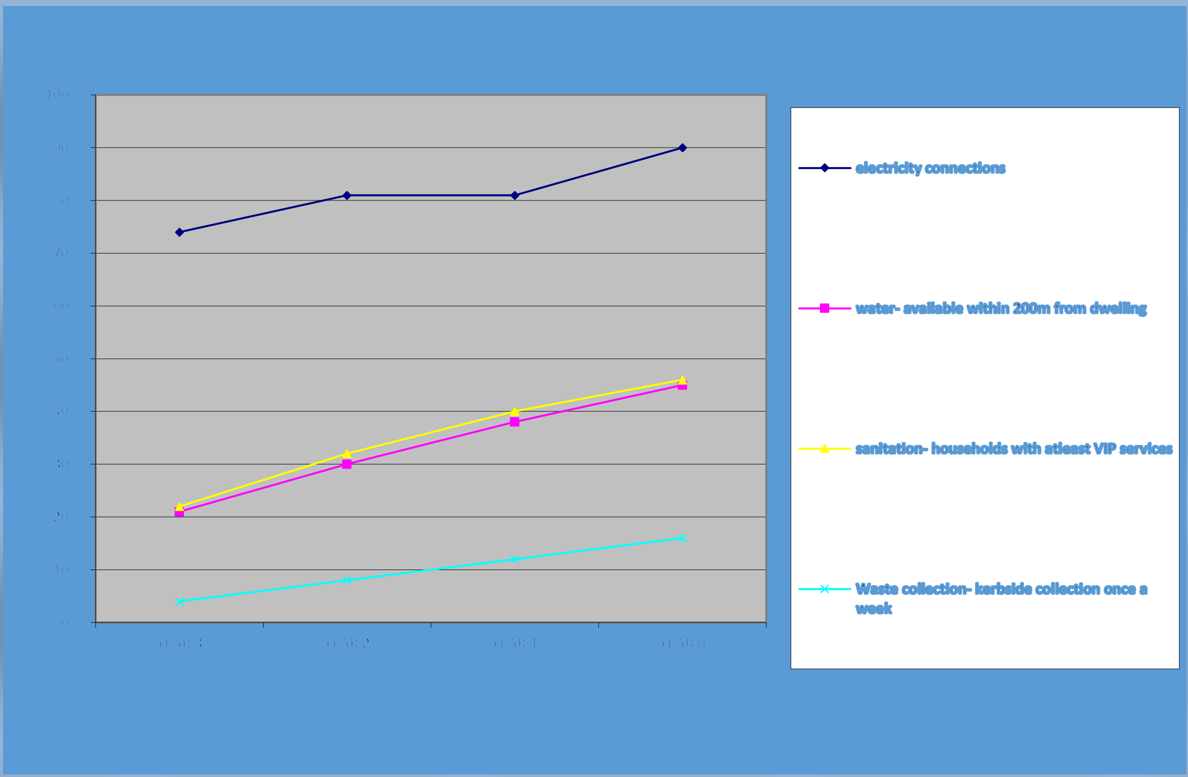
PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES



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COMMENT ON ACCESS TO BASIC SERVICES:

The Municipality has completed Mgxabakazi Access Road ward 22, Bolish to Nqabara Access Road ward 12. Riverview to Langeni Access road Ward 13, Msikithi Access road, Siyibane Access road, Ward 8 and Skhobeni to Caba ward 31. have been completed. The municipality has also received funds from The Office of The Premier (OTP) to construct Dutywa Internal Streets section 2 Ward 1. The municipality maintained 103.2 Kms of gravel roads in the current financial year. Mbhashe municipality is responsible for providing Waste Management services to its areas of jurisdiction. Waste Management Services is the main municipal service rendered by Mbhashe and as such should receive the requisite attention from the institution. Since the establishment of Mbhashe LM in 2000, this service has generally been provided to urban areas and surrounding townships of Dutywa, Gatyana and Xhorha. The municipality had a recycling pilot project across all wards and provides waste services.

T1.3.3

b. FINANCIAL HEALTH OVERVIEW

The municipality continues to closely monitor its financial health status to ensure effective and efficient financial administration. During the year under review the municipality embarked on various initiatives to try and improve financial management, these included initiatives on increasing debt collection by selecting the top business debtors, following up on them and offering interest discounts for customers who were willing to settle their outstanding balances. Historical debt that is not moving was handed over to the Debt Collector for collection.

The municipality's cash balances improved from last year's R 429m to R 496m during the year under review. The municipality ensured that it settles most of its outstanding creditors at year-end in order to avoid using the previous year's budget, paying suppliers that were committed in 2023/24 financial year. Invoices for work done were submitted and accrued to be paid in the period in which they relate.

Outstanding debt and revenue collection is another concern for the municipality just as it is for all other municipalities, therefore one of our main priorities is to focus on debt collection and maximizing revenue collection. To enhance our debt collection processes the municipality utilizes its internal staff and has appointed a panel of debt collector to enhance this process. This has yielded positive results in the past but currently the municipality's collection rate is sitting 37%. The challenge has always been around collecting the long outstanding debt and therefore the focus on the debt collector will be on the long outstanding debt in order to maintain the current financial status. However, the municipality is still in a sound financial position and can be considered as a going concern, as its current assets exceeded its current liabilities at year end. A conservative approach has been adopted of ensuring that only when funds are received can they be fully committed in terms of budget as past trends show that own revenue collection is never realized at 100%. The temptation to use current collections as a baseline is avoided at all costs as the circumstances prevalent in one reporting period may not necessarily always be the same. The municipality is currently showing a healthy liquidity ratio of 22.32:1.

T1.4.1

Financial Overview: Year 0 R' 000			
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants	465,880,000	466,930,737	454,742,460
Taxes, Levies and tariffs	8,500,000	12,500,000	24,992,544
Other	53,211,739	77,184,940	70,530,089
Sub Total	**527,591,739**	**556,615,677**	**550,265,093**
Less: Expenditure	436,287,642	476,557,782	317,683,024
Net Total*	**91,304,097**	**56,074,988**	**386,648,237**

T 1.4.2

Operating Ratios	
Detail	**%**
Employee Cost	44%
Repairs & Maintenance	17%
Finance Charges & Impairment	2%

T1.4.3

COMMENT ON OPERATING RATIOS:

Employee Costs

The employee costs are 44% of the total operating expenditure. This was above the acceptable norm of 40% guideline as set out by National Treasury. This was attributable to budget cuts in our operating expenditure which resulted in an increase in our capital expenditure during the 2024/25 financial year and the cost containment measures of not increasing the operating budget. The posts on the organogram remained unchanged as they were budgeted for. The municipality reviews the Organogram on a yearly basis and in the next coming year measures are afoot to bring this percentage down within the norm. The latest organogram has been reviewed and many position have not been reprioritized. Benefits over and above those that are in the collective agreement have been cut. The municipality conducted a Work Study to ensure that the structure is in-line with the objectives set and the functions of the municipality, now is left with the organizational re-engineering which will result to a revisited organizational structure. The municipality is also implementing new staff regulations.

Repairs and Maintenance

The Repairs and Maintenance were 17% of the operational budget but 7% of the total non-current assets (PPE). This is below the norm of 20% as per the National Treasury guidelines. This area is a cause for concern because the municipality needs to put aside adequate resources to maintain its assets. This therefore means that the municipality needs to allocate more funds for Repairs and Maintenance in the next financial years. The nature of the assets that are built using the grants (MIG), is mainly gravel roads with relatively a shorter lifespan, this then requires a change of course to more durable infrastructure assets (paving) if the municipality needs to make an impact on service delivery backlogs it is currently faced with

Non- cash item

The municipality has made provision for depreciation as well as for impairment of debtors as it is a requirement. As much as these are non-cash items, these provisions are cash backed to the tune of R48m. This is a good practice as the municipality does not only have surplus budget but also cash backed non- cash items.

T1.4.3

Total Capital Expenditure: Year -2 to Year 0 R'000			
Detail	Year -2	Year -1	Year 0
Original Budget	82,441,000	99,402,307	101,616,899
Adjustment Budget	90,992,000	104,446,933	115,453,083
Actual	87,788,194	94,021,914	102,852,315

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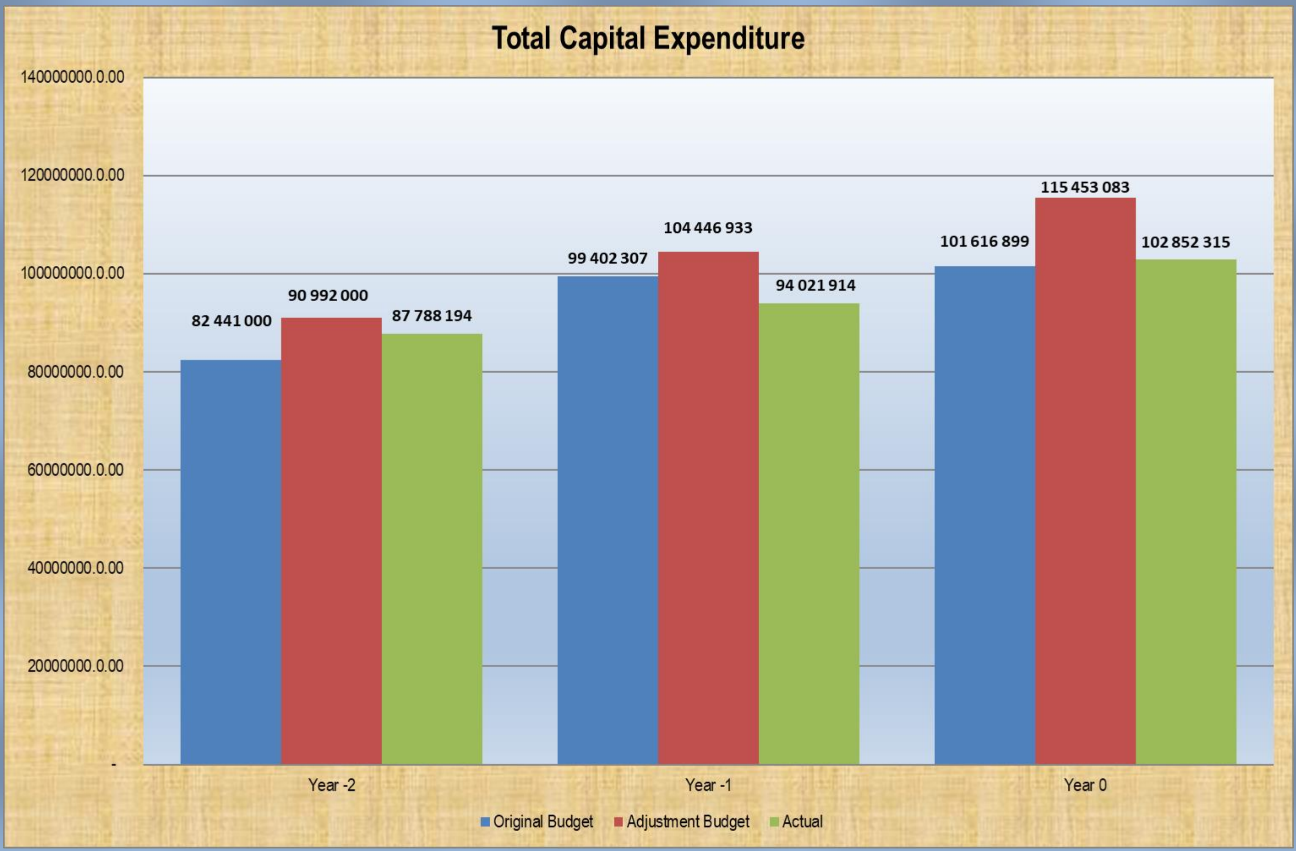


T1.4.5

COMMENT ON CAPITAL EXPENDITURE

The original capital budget for the 2024/25 amounted to R 101 616 899.00 and during the adjustment budget the capital budget was increased to R 115 453 083.00 which is equal to 13% increase. This was to try and put additional funding towards renewal of municipal assets. The municipality managed to spend R 102 852 315 which translates to 89% of the adjusted budged CAPEX (Equitable share and grants funded) as at year end.

T1.4.5.1

C. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Mbhashe Local Municipality has embarked on several projects and programmes to improve its performance. Its organisational structure is reviewed annually to ensure that it remains relevant to the strategic objectives of the municipality as reflected in the Integrated Development Plan.

The municipality's organisational structure was last reviewed in 2024/2025 for implementation. In the beginning of 2024/2025 FY the organisational structure had only 12 (twelve) vacancies. Those vacant positions were planned to be filled in 2024/2025 FY.

A review in the organisational structure will ensure that the municipality continues to deliver on its constitutional mandate and remains aligned with the IDP. The organisational performance at organisational level is managed and evaluated through the Service Delivery and Budget Implementation Plan (SDBIP) top layer, down to the departmental layer through departmental SDBIP Performance Management has been cascaded down from TG 18 up to TG 3. After the National Treasury had identified officials in municipalities who must have a prescribed minimum competency qualification, all section 56 managers and other officials from budget and treasury office have obtained the qualifications and others are continuing professional development, and this is aimed at ensuring sound financial management in the local government sector. The municipality has a workforce of (261) permanent employees.

Mbhashe has recruited and placed 60 students to participate in an internship program for the financial year 2024/25. They are placed in various departments based on their qualifications, and signed a two-year contract in Mbhashe LM, which will end in June 2025. There were various SETA's requested to place their students at Mbhashe LM which brought the number of students to 60. All Senior Managerial positions in terms of Section 56 and 54A have been filled and they are all permanently employed.

T1.5.1

D. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT YEAR 0

The municipality has received an unqualified audit opinion with matters of emphasis in 2023/24 financial year. The emphasis of matters raised by Auditor general relate to:

i. Restatement of corresponding figures in the AFS;

ii. Impairment loss on consumer debtors

The municipality will develop an audit action plan in order to address the findings especially the recurring findings by the AG. This will be taken to council for adoption and be monitored on a regular basis for implementation.

Relevant stakeholders will be consulted on the developed audit action plan so as to track the attainability of actions to address the issues raised.

T 1.6.1

A. STATUTORY ANNUAL REPORT PROCESS

MUNICIPAL ANNUAL REPORT PROCESS ACTION PLAN FOR FY 2025/26				
Nr	**Description of activity**	**Timeframe**	**Actual Date**	**Responsible Person/ Department**
1	Prepare Annual Report information as per the National Treasury format including the Annual Performance Report	8 July – 30 July 2025	31 Jul	Operations and All Senior Managers

2	Tabling of the draft Annual Report Process Plan to the Management Team	7-Jul-2025	7 Jul-2025	Senior Manager Operations
3	Tabling of the Annual Report Process Plan to Audit Performance Committee	18-Jul-2025	18-Jul-2025	MM
4	Annual Report Working Session & APR	5-8 August 2025	5-8 August 2025	All SM's
5	Tabling of the Annual Report to the Mayoral Committee	14-Aug-2025	14-Aug-2025	MM
6	Tabling of the Annual Report to Audit Performance Committee	15-Aug-2025	15-Aug-2025	MM
7	Tabling of the un-audited Annual report to Council. The Annual Report submitted complies with the requirements of Section 121(3)(a-k).	27-Aug-2025	27-Aug-2025	Mayor
8	Council to submit un-audited Annual report to MPAC for verifying of councils' directive on service delivery & senior managers (Section 56) performance against signed performance agreements	27-Aug-2025	27-Aug-2025	MM
9	Submission of un-audited Annual Report to Auditor-General including the Annual Financial Statements and Annual Performance Report	31-Aug-2025	31-Aug-2025	MM
10	Public participation process for Annual Report in terms of Section 130 of MFMA	26,27 & 28 November 2025	26,27 & 28 November 2025	MPAC
11.	Municipality considers AG's report on the audit of the Annual Report and complies with Section 126 (5)	Nov 2025	Nov 2025	Municipal Manager
12.	Convening of the MPAC to consider the Annual Report. This must be concluded within 7 days of receipt of AGs report.	Dec-2025	Dec-2025	MPAC/Speaker's Office
13	Tabling of Final Draft Annual Report to MAYCO	21 January 2026	21 January 2026	MM
14	Mayor tables audited Annual Report and financial statements to Council	27 Jan 2026	27 Jan 2026	Mayor
15	MPAC tables the Oversight report to the Council	27 Jan 2026	27 Jan 2026	MM/Speaker's Office
16	Adoption of the Oversight Report by Council in terms of Section 129 of the MFMA	27 Jan 2026	27 Jan 2026	Council
17	Publicizing of the Annual Report for public comments in terms of Section 127 (5) (a) of the MFMA (after adoption by Council)	3 Feb 2026	3 Feb 2026	Senior Manager Operations
18	Publicizing of the Oversight Report as per Section 21(a) of the Municipal Systems Act and Section 75 of MFMA	3 Feb 2026	3 Feb 2026	Senior Manager Operations

19	Submission and circulation of the Annual Report, Annual Financial Statements and Oversight Report to Provincial Legislature in terms of Section 132 (1 & 2) of the MFMA	3 Feb 2026	3 Feb 2026	MM

T1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS:

There has been an improvement in the Annual report process for the year under review. The municipality has set up business processes that will ensure that quarterly performance reports culminate into the annual report process.

In addition, an annual performance report has been developed which also assesses the performance of service providers for the year under review.

The annual report of 2024/25 has been compiled in accordance with requirements of section 121 of the MFMA, 56 of 2003 and section 46 of MSA, 32 of 2000 as well as the format prescribed by National Treasury and the purpose of the report is

- to provide feedback on the activities of the municipality
- to provide a report on performance in the service delivery and budget implementation for the year end and,
- to promote accountability to the community for the decisions made from July 2024 to June 2025.

This Annual Report has been developed according to the provisions of circular 63 of the MFMA which indicates that real transparency and accountability can only be achieved where there is a clear link between the strategic objectives agreed with the community, the IDP, the Budget and SDBIP, in year reports, Annual Financial Statements, Annual Performance Report and the Annual Report.

T1.7.1.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Mbhashe Local Municipality is constituted in terms of Section 12 read with Section 18 of the local government Municipal Structures Act no 117 of 1998 and consists of 63 (Females 30 and Males 33) and 02 Traditional Leaders (01 Male, 01 Female). The Municipality is categorized as an Executive committee type of a Municipality. The political arm of the municipality includes the Executive Mayor, members of the Mayoral Committee, the Council Speaker and the Chief Whip of the Council.

In its most abstract sense, governance is a theoretical concept referring to the actions and processes by which stable practices and organization arise and persists. These actions and processes may operate in formal and informal organization of any size; and they function for any purpose, good or evil, for profit or loss.

T2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political governance in our municipality consists of the set of processes, customs, policies, laws and institution affecting the way people direct, administer or control and organisation. It also includes the relationships amongst the many players involved and the organisational goals. The principal players include the communities, management and Councillors. Other stakeholders include employees, service providers, customers, businesses, political parties, community organisations and regulators. The Council operates as an Executive Type.

Municipal Manager is the head of the administration. Senior Manager Development Planning advises Municipal Manager on matters of town planning, housing and Local Economic Development and matters of land use management. Senior Manager Corporate Services advises MM on Human Resource issues, ICT, Document Management and Council Support services, Chief Financial Officer advises the Municipal Manager on Financial Management, supply chain management, free basic services, financial reporting and asset management. Senior Manager Infrastructure advises MM on construction and maintenance of roads and storm water, electrification. Senior Manager Community Services advises MM on road safety and security services, waste management, environmental management and expanded public work programs (EPWP). Senior Manager Operations advises MM on issues of governance, Integrated Development, Communications, public participations and customer care, legal and compliance issues, Special programs, internal audit, and performance management & Risk management.

T2.1.0

CHAPTER 2

A. POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Political governance in the municipality consists of the set of processes, customs, policies, laws and institution affecting the way people direct, administer, control and organising. It also includes the relationships amongst the many players involved and the organisational goals. The municipality in terms of governance has established section 79 committees which include MPAC, Women's Caucus, Ethics Committee, Members Interest Committee, Rules Committee and Public Participation and Petition Committee. Section 80 committees which include Municipal transformation and Institutional development, Service delivery and Infrastructure development, Local economic development, Municipal financial viability and Good Governance and Public Participation

The Municipality has an Audit Committee which has been established in-terms of Section 166 and has 3 members which are not in the employ of the Municipality, the committee seats on a quarterly basis and as when needs arise, they assist the Municipality on matters of internal controls and performance management and financial matters of the Institution.

MPAC Committee has a composition of 12 members comprising of 1 Traditional Leader and 11 councillors and of which the Chairperson is appointed by the Council. The members of the MPAC are not members of the Mayoral Committee, the committee seats on a quarterly basis and as when the need arise. Its role is to exercise oversight over the functions of the Municipality and make recommendations to the Council.

The Municipality also established Local Communicators Forum which deals with communicating projects and programmes of the Municipality internally and externally and it seats on a quarterly basis. It is constituted by the number of Councillors agreed upon by the Council.
T2.1.1

CHAPTER 2

POLITICAL STRUCTURE

1. **EXECUTIVE MAYOR: Cllr. Samkelo Nicholas Janda (ANC)**

2. SPEAKER: Cllr. Babalwa Majavu (ANC)

3. CHIEF WHIP: Cllr. Mantshiyose (ANC)

4. MPAC CHAIRPERSON Cllr. N. Ganda: (ANC)

Stakeholders include employees, service providers, customers, businesses, political parties, community organisations and regulators.

The Council operates on an Executive Type.

T2.1.1

The following Support Committees have been established in terms of Section 80 of the Municipal Structures Act to assist the Executive Mayor: -

MAYORAL COMMITTEE

CHAPTER 2

1. Cllr. F. Ndaule Portfolio Head Good Governance and Public Participation (ANC)
2. Cllr. N. Mgedezi Portfolio Head - Developmental Planning (ANC)
3. Cllr. N. Gxamthwana Portfolio Head - Community Services (ANC)
4. Cllr. MK Makapela Portfolio Head - Infrastructure Services (ANC)
5. Cllr. N. Apleni Portfolio Head - Budget and Treasury (ANC)
6. Cllr. N. Ngomthi Portfolio Head - Corporate Services (ANC)

COUNCILLORS

Mbhashe Local Municipality comprises of a total of 63 Councillors of which 32 are Ward Councillors and the other 31 are Proportional Representative (PR) Councillors. The Council also has 02 Traditional leaders. Council continues to operate as an Executive Committee System. Out of 32 wards, 31 wards are governed by ANC whilst the 1 wards are governed by UDM. As at end of June 2025 the municipality had 63 Councillors

T2.1.2

PARTY NAME	**NUMBER OF SEATS (Wards + PR)**		
	WARD	**PR**	**TOTAL**
African National Congress	30	15	45
African transformation movement	0	1	1
United Democratic Movement	1	7	8
Democratic Alliance	0	1	1
Economic Freedom Fighters	0	4	4
African Taxi alliance	0	1	1
Batho pele movement	0	1	1
Pan African Congress	0	1	1
Independent	1	0	1
TOTAL	**32**	**31**	**63**

POLITICAL DECISION-TAKING

The municipality has processes that take decisions up to the Council. The items that need decision start from management, standing committees, Mayoral Committee and then to the Council. Each of the Committees deliberate on matters that fall within the specific terms of reference of that particular Committee as stipulated in the delegation framework, and make recommendations to the Executive Mayor for approval, or where necessary for endorsement by the Mayoral Committee for final approval by the full Council. Any matter that has financial implications has to be discussed by the management before it is recommended by the Executive Mayor and approved by the Council. The Council resolutions are implemented at 100% rate and monitoring of those resolutions are taken to Council for noting.

T2.1.3

CHAPTER 2

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE
Municipal Manager is the head of the administration. Senior Manager Development Planning advises Municipal Manager on matters of town planning, housing and Local Economic Development and matters of land use management. Senior Manager Corporate Services advises MM on Human Resource issues, HR management, ICT, document management and Council Support services, Chief Financial Officer advises the municipal manager on financial management, supply chain management, financial reporting and asset management. Senior Manager Infrastructure advises MM on roads and storm water, electrification. Senior Manager Community Services advises MM on road safety and security services, waste management, free basic services, disaster management and EPWP works program. Senior Manager Operations advises MM on issues of governance, Integrated Development and in the development of all strategic documents and on internal planning issues. There were no major changes in terms of structures in the year under review.
T2.2.1

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE STRUCTURE

The above diagram depicts the senior management structure of Mbhashe and 2 posts were vacant SM Development Planning and SM Infrastructure & Development as at end of the year 30 June 2024.

The administration is led by the Municipal Manager and 6 Senior Managers that are directly accountable to him

The municipality has 6 departments which are reporting according to the 5 Key Performance Areas of Local Government which are as follows:

elivery & Infrastructure Development - departments that are contributing are Infrastructure,
ty Services and Developmental Planning
nomic Development - Development Planning
Financial Viability – Departments that are contributing are Budget and Treasury Office,
ty Services, Infrastructure and Corporate Services
Transformation & Institutional Development - All departments are contributing
vernance & Public Participation – All departments are contributing

CHAPTER 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Mbhashe Local Municipality remains totally committed to good governance. The organization is structured in such a way that the eight major characteristics required for good governance are enshrined in its operations. This ensures that a municipality is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. The municipality also takes the issue of corruption seriously and has minimize it by strengthening its systems. Through IGR structures the views of minorities are considered and the voices of the most vulnerable in society are heard in the decision-making process. IGR is also responsive to the present and future needs of society, through planning processes that start at community level. Above all, the commitment from the leadership both political and administrative is essential to maintain good governance.

The system that the municipality followed included processes through which the municipality's objectives are set and pursued in the context of social, regulatory, political, technological, economic and market environment. These included mechanisms to monitor the actions, policies and decisions of the municipality and its service providers. These practices then are affected by the attempts to align the interest of all stakeholders, including national & provincial government, district municipality, businesses, non-governmental organisations, community-based organisations and communities.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality participates in the SALGA National Members' Assembly, with a constitutional mandate to bring development and opportunities to the people of South Africa. The municipality also attends other structures of the province i.e., SALGA working groups, EPWP Provincial Steering Committee, Provincial Waste Forum, COGTA EC MIG Forum, and Joint Operations Committee (JOC), etc. The municipality has a functional Intergovernmental

Relations Forum, however, stakeholders are encouraged and reminded of the importance of their attendance. There are still challenges with a few departments within Mbhashe's jurisdiction which still do not attend, and some have sighted that their district offices are in KSD Municipality. All IGR meetings in the financial year 2024/25 were convened on site.

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality is participating in the Eastern Cape Provincial Political and Technical MUNIMEC. This platform is viewed as a relevant space to engage and unlock challenges facing municipalities in the province. A Technical District Development Model (DDM) structure has been established at a Provincial level which is chaired by the Premier where District Municipalities and Local Municipalities partake, the Mbhashe LM has since requested CoGTA for training of all stakeholders involved in the DDM structure.

T2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipality does not have an entity but has good relations with the entity under the district, which is Amathole District Development Agency, trading as ASPIRE.

T2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

There are forums that were established by the district municipality and Mbhashe local municipality participates in those forums such as DIMAFO, MMs and Directors' forum, which is attended by Local Municipality Executive Mayors, Mayors, Municipal Managers, Senior Managers, state owned enterprises and government departments that are within Amathole District Municipality. These forums assist municipalities to have a common understanding and be able to discuss developmental issues that affect the district at large.

T2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality has a legislative requirement to involve communities in its decision-making process and has a relationship with its citizens that can take many forms. Most municipal records, documents and reports must also be accessible and available to the public. These reports provide information about the services and activities of the municipality. There are consultative processes the municipality conducts to get public inputs. This process involves a range of activities including, but not limited to, creating democratic structures such as Ward Committees (WC) and Community Development Workers (CDWs).

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Mbhashe Local Municipality has a comprehensive 5-year communication strategy that was reviewed in 2024/2025. This strategy with its action is reviewed on annual basis to remain relevant and respond to the communication needs. The municipality's website has been revamped and is functioning effectively. Information required to be placed on the website as stipulated in 75 of the Municipal Finance Management Act is updated on a regular basis.

Further to this, pillars of strategy which include among others, the use of broadcast, print, electronic, digital, and social media are used by the municipality to inform communities about the service delivery programmes. The diverse use of these pillars maximises the reach of communication messages across Mbhashe communities ensuring that the public is informed, and the communication gap is closed. The municipality continues with the use of traditional forms and channels of communication which still contributes and play a crucial role in sharing information to the public; the use of both commercial and community radio stations and print media (Newsletter and Local Newspapers that are distributed in Mbhashe area) also play a vital role in reaching communities.

The Local Communicators' Forum (LCF) as another platform created for the local government sphere, coordinated through the local municipality is active and sits on a quarterly basis to share the integrated plans and programmes with the government parastatals, government departments and other relevant organisations to improve communication.

Moreover, the Communications Section also participates in the District Communicators' Forum which is consisting of all municipal communicators from the six local municipalities under the Amathole District Municipality; provincial and national departments operating within the district; Community Development Workers (CDWs); parastatals and any other government-related structures in the district. The Communications Section also participates in the Local Government Communicators' Forum which is attended by all local government communicators across the Eastern Cape Province as well as South African Local Government Association (SALGA) and Government Communication and Information System (GCIS) to table progress reports on the Action Issues and discuss matters related to the Communication Strategies including sharing information on branding and protocol practices etc. Mbhashe Local Municipality also participates in the National Communicators' Forum (NCF) which is coordinated by SALGA.

Public Participation and Communication

Public participation is promoted through Chapter 4 of the Local Government Municipal Systems Act which community participation promotes in the affairs of the municipality, and it is a principle that is accepted by all spheres of government in South Africa. Therefore, public participation is one of the cornerstones of our democracy and has equal benefits for politicians, public servants, civil society and communities.

Consultation helps government to make more appropriate decisions based on the real needs of people. The more informed people are, the better they will understand what government is striving for depending on the available budget and resources. Public representatives can only claim to be accountable if they have regular interactions with the people they represent, and if they consult and report back on key government decisions. Government cannot address all the development needs on its own hence partnerships are needed with communities and other organisations.

Mayoral Imbizos, Integrated Development Plan, Budget and Performance Management System and Annual Report Roadshows

Public meetings are held through platforms such as Mayoral Imbizos, Integrated Development Plan Representative Forums, Budget and Performance Management System and Annual Report Roadshows. These engagements are held on a quarterly basis except for the Mayoral Imbizo as methods used for consultation with the public. The Mayoral Imbizos promote active involvement and participation of the public in the implementation of municipal programmes. These engagements allow the public from a particular area to interact directly with the Executive Mayor on matters of service delivery. The office of the Executive Mayor and the Mayoral Committee conducts one Mayoral Imbizo annually in all the 3 units of the municipality i.e., Dutywa, Xorha and Gatyana, to give feedback and account to communities about service delivery. Government departments are expected to form part of these Imbizos as they also have a responsibility to account on the programmes that they have planned for the Mbhashe communities. Moreover, the municipality meets with communities on structured public meetings that were established by the municipality as required by legislation i.e. IDP & Budget Roadshows and Forums which focus on developments and amendments on the Integrated Development Plan, Annual Report Roadshows.

Public meeting and report-back meetings

Public Representatives often use public meetings to inform the Mbhashe citizens on issues or consult them around specific development or other programmes. These meetings are also platforms to report back on government programmes. Public servants may be asked to participate in these meetings to provide technical support, information and gather the citizen’s views and concerns.

T2.4.1

CHAPTER 2

WARD COMMITTEES

Ward Committees

Ward committees are elected in all wards to serve in their respective communities. Ward Committee members not exceeding ten are elected in each ward to assist and advise the Ward Councillor and increase community participation. They are helpful in spreading information, assessing needs, building partnerships, consulting the community, sharing updates about challenges and service delivery progress and issues. The issue of out-of-pocket expenses is ongoing for Ward Committee members when they must travel to conduct their activities. The municipality provides tools of trade such as cellular package and stationery for the functioning of ward committees to each member.

Ward Committees are functional in all wards and are provided with administrative support through the Public Participation Office.

Ward Councillors

Ward Councillors are the elected representatives of specific wards which are geographical areas of Mbhashe jurisdiction, they are a link between the communities and the municipality. They have a responsibility to put forward to the municipality the needs of the communities they serve, as well as find ways to address service delivery challenges, furthermore; consult and inform the community around municipal services and programmes.

Community Development Workers (CDWs)

Community development workers are employed by the Department of Cooperative Governance and Traditional Affairs to work in communities and ensure that people access government services. They offer advice, help people with challenges, assess needs and work with local organisations to build partnership with government.

They are familiar with the communities they serve, have good contact with organisations and help with consultation, research, spread information and monitor implementation. CDWs are working closely with Ward Councillors, Ward Committees and traditional leaders.

However, the challenge facing the Mbhashe area is that in 32 wards there are twenty (20) vacancies which equals to 62%. The status of active CDWS are as follows (3 Xhorha, 3 Gatyana and 6 in Dutywa). There are no CDW's due to non-filling of vacant positions of the late or resigned former CDWs by the Department of Cooperative Governance and Traditional Affairs (COGTA)

COGTA had started the recruitment process and held interviews in the previous FY and no appointments thus far. This also impacts negatively in the implementation of other government programmes and proper servicing of the other Mbhashe areas. CDWs are a platform that was created by government to bring services to the people and to enhance participation, and the absence of the CDWs in other wards handicaps this initiative.

CUSTOMER CARE

The municipality has a customer care section which is responsible and dedicated in ensuring that quality services are rendered to our communities. This is done to ensure quality customer service, through liaising with communities and municipal departments regarding the service delivery complaints and suggestions raised from the ground by communities. The municipality is currently using a manual system to register all queries and complaints received from customers on daily basis. Complaints attended are received through walk-ins, social media platforms (Facebook, Twitter, and WhatsApp), correspondence received through the Registry Office, telephone and Email. These complaints are registered on developed manual complaints register, attended, referred to relevant departments within the prescribed time of 72 hours from the date of the receipt and followed up. The municipality has conducted research to acquire an electronic customer care system to increase the channels where community can register their complaints. Communications and Customer Care Unit embarked on benchmarking exercise from Chris Hani District Municipality which has a ticketing system that integrates all digital platforms when a complaint is received. Communications and Customer Care is in the process of acquiring the electronic system which will have a ticketing system.

T2.4.2

Public Meetings						
Nature and purpose of meeting	**Date of events**	**Number of Participating**	**Number of Participating**	**Number of Community**	**Issue addressed (Yes/No)**	**Dates and manner of feedback given to community**

		Municipal Councillors	Municipal Administrators	members attending		
IDP REP FORUM	14 -08-2024 Xhorha Town Hall	08	06	90	Tabling of Process Plan for 24/25 Fy	
	15-08-2024 Gatyana Indoor Sport Centre	04	06	100		
	16-08-2024 **Dutywa TRC Hall**	07	08	107		
MAYORAL IMBIZO &	10/10/2024 **Gatyana Indoor Sport Centre**	12	10	160	Tabling of progress report on 2024/2025 FY projects and confirmation of ward priorities for 2025/26 FY	Feedback on issues raised were provided during the meetings and matters affecting other departments were escalated to relevant departments
	08/10/2024 **Dutywa TRC Hall**	09	07	210		
	09/10/2024 **Xhorha Indoor Sport Centre**	14	11	205		
MPAC ROAD SHOWS and IDP REP FORUM	27-11-2024 **Xhorha Town Hall**	10	13	120	Tabling of draft Annual Report and Presantation of situational analysis	issues raised were provided during the meetings and matters affecting other departments were escalated to relevant departments
	26-11-2024 **Dutywa TRC Hall**	13	10	180		
	28-11-2024 **Gatyana TRC**	12	12	145		
IDP BUDGET REP FORUM	**12-03-2025** **Dutywa TRC Hall**	06	05	100	Presentation of objectives 2024-2027 Draft IDP and Presentation of Objectives & Strategies	Feedback on issues raised were provided during the meetings and matters affecting other departments were escalated to
	13-03-2025 **Xhora Town Hall**	08	06	90		

	11-03-2025 **Gatyana TRC**	09	05	98		relevant departments
IDP,PMS & BUDGET ROADSHOW	02-04-2025 **Gatyana TRC Hall**	09	06	150	2022-2027 Draft IDP and Confirmation of Priorities. Presentation of Draft IDP and Budget and Tarrifs for 2025/26 FY	
	03-04-2025 **Dutywa TRC**	08	07	200		
	04-04-2025 **Xhorha Indoor Sports Centre**	09	07	180		
IDP REP FORUM	06-05-2025 **Dutywa TRC Hall**	06	05	110	Tabling of Final Draft 2025/26 FY IDP, Budget and Tariff structure for considertion	
	07 -05-2025 **Xhorha Town Hall**	06	07	91		
	08-05-2025 **Gatyana Indoor Sport Centre**	08	06	89		

T2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Mbhashe Local Municipality has made every effort to ensure maximum participation by members of the local community in the development of the Integrated Development Plan (IDP). The Mayoral Imbizos were held in each unit of Mbhashe Local Municipality with full participation from community members.

Communities were able to reflect on the progress on service delivery by acknowledging the work done by the municipality while taking into consideration the disasters that have derailed the service delivery progress. Comments submitted by communities gave the municipality an opportunity to reflect on how it has given services to the community members, and the comments are the dipstick and measure to the level of good governance as well as indicating areas of focus for the municipality to improve efficiency and effectiveness.

The IDP Representative Forum meetings held on a quarterly basis with various wards affords the municipality an opportunity to know whether the direction taken by the leadership of the municipality responds to community needs.

The communities are afforded an opportunity to engage with the information presented by the municipality and their comments or inputs were consolidated into a final report. These public meetings involve interaction with communities at ward levels and interactions with the reference groups which represents various stakeholders of the municipalities.

A number of developmental challenges were raised during these interactions. These issues have in turn, been aligned with key development thrust of the municipality. The key development thrusts include:

- Construction of roads and road maintenance.
- Unemployment
- Poverty eradication, rural and economic development, and job creation
- Financial sustainability (e.g. revenue enhancement)
- Spatial development and the built environment
- Human settlement
- Public transport
- Environmental Management and climate change
- Social and community services
- Disaster Interventions
- Water provision

T2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 54A and 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

** Section 26 Municipal Systems Act 2000*

T2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance broadly refers to the mechanisms, processes and relations by which corporations are controlled and directed Governance structures identify the distribution of rights and responsibilities among different participants in the corporation and include the rules and procedures for making decisions in corporate affairs.

Corporate governance includes the processes through which corporations/organizations objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies and decisions of corporations and their agents. Corporate governance practices are affected by attempts to align the interests of stakeholders.

For good governance practices these committees need support in relation to the following:

Integrated reporting and levels of independent assurance
How the combined assurance framework addresses all significant risks; and

The practicalities of how the risk committee works with the audit committee

In our endeavour to practice good governance, the municipality strives to implement the following principles in all its activities.
Rights and equitable treatment of shareholders-interest of other stakeholders
Role and responsibilities of the various committee's members
Integrity and ethical behaviour
Disclosure and transparency

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Section 62 (1)(c) (i) and 95 (c) (i) of the Municipal Finance Management Act (Act 56 of 2003) requires the Accounting Officers to ensure that their municipalities and municipal entities have and maintain effective, efficient and transparent systems of risk management.

Risk management is the systematic and formalised process to identify, assess, manage, and monitor risks. The unit has the responsibility of coordinating and supporting the overall institutional risk management process. The process of identifying, assessing, and managing risk remains the responsibility of management.

Risk Management is functional at Mbhashe Local Municipality and is based on the legislative mandates of Risk Management Policy, Fraud and Anti – Corruption Policy to derive the benefits that would enhance the effectiveness and efficiency of the institution in meeting its obligation. The following risk documents are available:

Risk Management Strategy

- Risk Implementation Plan
- Strategic Risk register
- Operational Risk register
- ICT Risk register
- Fraud Risk register
- Disaster risk register

Risk Management Policy requires that the institution should have a Risk Implementation Plan (RIP) that would outline plans regarding activities of risk management. The Risk Implementation Plan together with the risk terms of reference was presented to all relevant committees, i.e., senior management structure, risk management committee and audit committee during the start of the financial year. The risk management implementation plan together with risk terms of reference for Mbhashe Local Municipality prepared to give effect to the implementation of the risk management policy, fraud and anti-corruption policy and sets out all risk management activities planned for the 2024-25 financial year.

For the process of implementation risk management policy, each department has appointed risk champion. There are also consultative sessions that take place where departments are reporting on the progress of risk mitigations on the registers. Operational Risk Registers are updated and reported quarterly to the Risk Management Committee and later to the audit committee. Risk management has been institutionalised by the municipality and there are KPIs developed in the SDBIP for all Heads of Departments (HODs).

Departmental risk sessions are convened annually for the purposes of updating the risk registers. Departments identified emerging risks which then later are presented to the Audit Committee.

Reference to section 62 of the MFMA, Accounting Officer of Mbhashe Local Municipality established a Risk Management Committee which is defined as a committee with authority to review the Institution's system of risk management.

The membership of the Risk Management Committee comprises both management and external members with the necessary blend of skills, competencies, and attributes, including the following critical aspects:

An intimate understanding of the Institution's mandate and operations.

The ability to act independently and objectively in the interest of the Institution; and

a thorough knowledge of risk management principles and their application.

The chairperson of the Risk Management Committee is an independent external person, appointed by the Accounting Officer / Authority. The responsibilities of the Risk Management Committee are formally defined in a charter approved by the Accounting Officer / Authority.

Reference to the approved Risk Management Terms of Reference, all the planned four risk committee meetings were held successfully, and all the reports were further presented to the Audit Committee Structure. Mbhashe Local Municipality has managed to hold its Risk Management Committee meetings where other two meetings were held using an online platform.

Combined risk assurance takes place by conducting the following activities: -

- Reporting risk to senior management & extended management meetings
- Reporting risk management by MM in terms of the approved SDBIP.
- Reviewing and assessing of risk registers
- Interaction with ADM, COGTA, and Treasury
- Reporting of risk management activities and progress to the Risk and Audit Committees.

Mbhashe Local Municipality conducted Annual Risk Assessment during the fourth quarter of the previous financial year as per approved SDBIP and risk implementation plan for it to be implemented in 2024/2025 financial year. The overall purpose of risk assessment is to help the institution to identify and prioritize the most important risks as the institution is not expected to have the capacity to deal with all risks in an equal manner. Inherent risks were assessed to establish level of exposure and residual risks assessment to determine the actual remaining levels of risk. Assessment tables were checked wherein each risk is evaluated in terms of potential impact. Risks which are irrelevant were removed from each department, some of the matters have been removed and transferred to other departments.
The top strategic risks as identified by the senior management, covered in the strategic risk register are as follows:

No	Risk name	Rating of risk
1	ICT Business Interruption	Extreme
2	Inadequate provision and maintenance of service delivery to infrastructure	Extreme
3	Inability to unlock investment opportunities	Extreme
4	Non-compliance with laws, policies, and regulations	Extreme
5	Institutional Instability	Extreme
6	Inadequate strategies for revenue generation	High
7	Uncoordinated land development	High

8	Inadequate infrastructure and facilities to provide efficient waste management services	Extreme	
			T2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Mbhashe Local Municipality reviewed a strategy of conducting anti-fraud and corruption awareness to its employees, Councillors and Traditional Leaders serving in Council. In terms of the strategy the municipality conducted Anti-fraud awareness during 2024/25 financial year in six departments which are Community Services, Infrastructure, Budget and Treasury Office, Development Planning, Corporate Services and Operations.

The awareness was also conducted to Councillors and Traditional Leaders serving in Council. Fraud risk registers were updated per department on a quarterly basis and all registers were assessed. Anti-Fraud and Anti-Corruption Strategy has been reviewed and adopted by Council in May 2025. The Anti-Fraud and Anti-Corruption Strategy requires the institution to have an Anti- Fraud and Anti-Corruption Hotline and the procurement processes have been followed in the year 2024/25 Although the project went to both BEC and BAC but the appointment was not successful as there were no responsive bidders. Mbhashe Local Municipality had successfully conducted Anti-fraud awareness during 2024/25 financial year in six departments with the assistance of both the Public Protector South Africa (PPSA) and Directorate for Priority Crimes Investigation (DPCI) offices as follows: Community Services in Q1, Councillors and Traditional Leaders serving in Council Q2, BTO, Development Planning and Operations in Q3, and in Q4 Infrastructure and Corporate Services.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Supply Chain Management Policy was reviewed during the 2024/25 financial year and was submitted for approval to Council on the 28th May 2025. SCM policy is currently fully aligned with the latest regulations, few amendments to the SCM Policy were mainly to address the issue of catering costs and inclusion of the framework agreement for allocating of work in panels and the incubation programme.

Furthermore, three other policies dealing with SCM were submitted for review with no proposed changes and the policies are as follows: Commodity Based Procurement Policy, SCM Turnaround Policy and Standard on Infrastructure Procurement and Delivery Management.

The Municipality appointed CCG systems in line with the RT25 tender issued by National treasury for a financial accounting system that is mSCOA compliant system. Sage Evolution Advance procurement is a module used to procure goods and services needed by the municipality integrated with other modules.

Between R30 000 and R300 000 a 7-day notice procurement process is followed with adverts placed in the website as well as Municipal notice board in all three units (Dutywa, Xhorha and Gatyana). Upon closing, a register with all the relevant information is kept at the SCM office. The bids are then evaluated, and a report is compiled where recommendations are captured and approved.

Open tenders with the value of R300 000 and above follow the Bid Committee System namely; Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee. Committee members are appointed in writing by the Municipal Manager in line with the relevant legislation. The Municipal Manager has strengthened the functioning of the bid committees by including members of management across all three committees. Furthermore, regular trainings were provided by treasury to ensure that members understand their roles and responsibilities thus achieving full efficiency. The municipality is still not mastering the planning and implementation of procurement hence the slow start of project with a negative bearing in service delivery and grants funding

The latest PPPF Act thresholds is adhered to. BBBEE Act and point's allocation are applied throughout the municipal procurement. The 80/20 split applied to all contract values below R50 million and 90/10 to all above R50 million, in line with the latest Preferential Procurement Regulations.

Contract Management

Contracts are monitored by SCM through maintenance of a contract register. End user departments in particular Infrastructure department with huge contracts needs to ensure that contract management is practiced. There is still room for improvement in so far as contract management is concerned. Buy-in from departments is also being sought to ensure that all employees play their pivotal role in contracts management. A comprehensive contract register is in place and is monitored monthly to track spending and performance on each contract. BTO has been engaging end user departments and service providers as part of contract management. Two other important registers are Commitments register and Work in Progress register that are monitored and constantly updated.

Code of Ethics

All Supply Chain Management practitioners, and members of the three Bid Committees, are required to sign a Code of Ethics as approved by Council annually. The code is based on the Code of Ethics issued by National Treasury. In all Bid Committee meetings members are required to declare their interests as part of the standing items in the agenda for each sitting. New Bid Committee members were appointed by the Municipal Manager to serve in various committee in the 2024/2025 financial year.

Training and Competency

In accordance with the requirements of Section 8 of the SCM Regulations, as well as Section 83 of the MFMA, all SCM Practitioners must have attained minimum level competencies in line with the relevant gazette. Continuous training of staff to meet this requirement is on-going, however majority of the members have achieved this requirement. This has been implemented beyond SCM officials, senior management and interns but extended to senior officials in other departments across the municipality. All of the four (04) SCM permanent staff have met the competency requirements.

General SCM Matters

Supply Chain Management office was adequately staffed as the position of SCM Manager was filled as it was vacant for the better part of the current year. There were other resignations during the financial year which resulted in the department to be under immense pressure.

SCM unit is responsible for the best procurement approach in compliance with the primary aim of ensuring that irregular expenditure resulting from that is avoided. This section on a monthly basis reports on Irregular procurement and expenditure. So far, there has been no new Irregular Expenditure incurred other than the one recurring from previous irregular contracts. This is one of the important steps towards achieving a clean audit.

Section 3(1)(b) and (c) of the SCM Regulations states that the accounting officer of a municipality must at least annually review the implementation of the SCM policy and when necessary, submit proposal for the amendment of the policy to council. Section 117 of the MFMA states that: “No councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, not attend any such meeting as an observer.” The Accounting Officer established a committee system that is consistent with the MFMA and Municipal SCM Regulations for competitive bids consisting of:

- A bid specification committee

- A bid evaluation committee

- A bid adjudication committee

Chapter 6 of the Municipal Regulations on Minimum Competency Levels states that: “The accounting officer and any other official of a municipal entity involved in the implementation of the SCM Policy of the municipal entity must generally have the skills, experience and capacity to assume and fulfil the responsibilities and exercise the functions and power in respect of Supply Chain Management.” The regulations indicate the minimum competency levels for Heads and Managers in Supply Chain Management and Supply Chain Management Practitioners.

Supply Chain Management is centralized and situated in the Budget and Treasury Office with 4 permanent staff members with no vacancies. All four employees have completed the minimum competency requirements. There have been many resignations as people look for greener pastures. This has resulted to a high rate of staff turnover in the department.

T2.8.1

2.9 BY-LAWS

Newly developed	Revised	Public Participation Conducted prior to adoption of By-Laws	Dates of Public Participation	By-Laws Gazetted (Yes/No)	Date of Publication
None	**None**	No	None	No	None

T

2.9.1

COMMENT ON BY-LAWS: There were no newly developed By-laws T2.9.1.1

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	**Yes / No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents	Yes	28 February 2025
All current budget-related policies	Yes	
The previous annual report (Year -1)	Yes	04 February 2025
The annual report (Year 0) published/to be published	Yes	February 2026
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	31 July 2024

All service delivery agreements (Year 0)	Yes	
All long-term borrowing contracts (Year 0)	No	n/a
All supply chain management contracts above a prescribed value (give value) for Year 0	Yes	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section		
Public-private partnership agreements referred to in section 120 made in Year 0	No	n/a
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	
Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments. *T 2.10.1*		

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Section 75 of the MFMA requires that municipalities place key documents and information on their website, including the IDP, Annual Report, the annual budget, adjustments budgets and budget related documents and policies. There is a service provider supporting the municipality in updating and maintenance of website.

T2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

During the 2024/25 financial year, the municipality did not conduct a Customer Satisfaction Survey.

COMMENT ON SATISFACTION LEVELS:

Based on the survey findings above, the following recommendation were proposed to improve the level of service to customers. It is recommended that Mbhashe LM must develop a Service Delivery Improvement Plan (SDIP) with specific service delivery standards for each key performance area. Such service delivery standards must identify critical activities and key performance indicators (KPI) attached to each critical area. The KPI's in turn shall be linked to the performance management system. At a strategic level, the service delivery standards shall be informed and/or aligned to, but not limited to the following government imperatives:

1) White Paper on Transforming Service Delivery.
2) EC COGTA's Service Delivery Improvement Plan.
3) National Treasury's Outcomes Led Planning.
4) National Outcomes Based Approach.
5) Any other national and international standards.

It is also recommended that Mbhashe LM shall utilise the findings and recommendation of this report through the IDP and Budget Processes. This shall take place after due consideration of this report and its recommendations by the various KPA's. Functions that fall outside the powers and functions of Mbhashe LM (provision of water & sanitation, firefighting and electricity) shall be referred to Amathole DM and ESKOM respectively, utilising the already established engagement platforms.

T2.11.2.2

CHAPTER 3

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

INTRODUCTION

Mbhashe Local Municipality has some key service achievements that came to completion during the year 2024/25 namely based on the institutional IDP. Infrastructure Services department objectives and strategies in delivery of services are linked with IDP and development of SDBIP with annual targets is based on the approved IDP. Tabulated below are projects: the provision of 32.2 kms of Roads and Storm Water control facilities (ward 8,31,13, 12 and 22) that are of a good quality, safe & trafficable as per applicable standards, total of 103.2 kms Roads were maintained, 470m² of paving has been done , 1 sport facility completed at Ward 25. Ward 1, Ward 13 and Ward 02 sports facility are under construction and under electricity designs were done for Ward 08 and construction of linkline was completed in Ward 08.

The universal access with regards to waste management services has been achieved in the year under review. All our waste disposal sites are licensed, Dutywa and Gatyana licensed for closure and Xhorha landfill licensed for operation.

T3.0.1

No	Project name & Details	Start date	End Date	Total Value
1.	Mgxabakazi Access road ward 22	22/11/2023	25/07/2024	R 3 297 993.85
2.	Riverview to Langeni access road ward 13	10/05/2023	12/02/2025	R 16 277 452.32
3.	Skhobeni to Caba access road ward 31	19/16/2023	13/05/2025	R 10 170 645.01

CHAPTER 3

Name of Entity & Purpose (I)	Service Indicators (ii)	Year 0 Target (III)24/25	Year 0 Actual (Iv)	Year 1 Target (III)23/24	Year 1 Actual (Iv)	Year 2 Previous Year (v)22/23	Year 2 Current Year	Year 3 Actual	Year 3 Current Year 21/22
	Construction of New roads	13.3 km	13.4km	21.8km	21.4km	25.5km	17.3km	26km	18.1km
	Maintenance of Access Roads	60km	103.2 Km	240km	230.3km	240km	301km	300km	341.2km
	Construction Public Facility	2 taxi ranks in (Gatyana and Dutywa) in construction, 1 community hall	2 taxi ranks in construction (Gatyana and Dutywa), 1 community hall constructe	1 Design report completed Phase 2 ward 13 sports facility 5 Activities for phase 1 Ward 1 sports facility	1 design report completed phase 2 ward 13 Soccer Pitch completed,running track earthworks compl	Earth works completed at Ward 1, Completion of Ward 13 and Ward 25 Sport	Ngumbela phase 2 sport facility completed, ward 25 sport field on construction. Ward 13 sportifi	Ngumbela sportfield completed	Ngumbela phase 2 sport facility completed, ward 25 sport field on construction. Ward 13 sportfield on complete, ward1 sportfield under

		constructed at ward 08 Gem community hall, 1 Vehicle testing station in construction and 3 sport facilities in construction.	d at ward 08 Gem community hall, 1 Vehicle testing station in construction and 3 sport facilities in construction.	02 activities for phase 3 sport facility ward 2. 1 ablution facility constructed at ward 25 taxi rank 2 design report completed Gatyana taxi rank and Dutywa. 1 Community Hall constructed at ward 8	eted, irrigation system reticulation completed, Ablution facility completed, 1 activity for phase 3 sportfacility constructed at ward 2 which is design report submitted to COGTA and	s facility.	ed on complete, ward1 sportfield under construction stage.		construction stage.

					approved 1 Ablution facility constructed at Gatyana Taxi Rank ward 25, 2 design report completed for Gatyane taxi rank and Dutywa. 1 community hall constructed				

					at ward 8 Gem community hall				
6	Mbhashe Electrification project	Preliminary designs in Kreqweni and Construction of linkline6, 7kms in Msikithi, 4.6kms in Sibane	Preliminary designs in Kreqweni and Construction of linkline6,7kms in Msikithi, 4.6kms in Sibane	434 households to be electrified	434 households electrified	N/A	N/A	360 house holds	279 household
7	Paving	130 m pave	630m paved as	130m paved for	130m Gatyana and	3056 sqm	3056sqm	4000sqm	4000sqm

		d for Gatyana and 200 m for Xhora	follows:130m Gatyana, 200m for Xhora and 300m in Dutywa	Gatyana and 380m for Xhora and Dutywa -140m	100m for Xhora				

COMPONENT A: BASIC SERVICES

This component includes: water, waste water (sanitation), electricity, waste management, and housing service, and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

Housing Basic service is the most key focus function of the municipality for coordination of Human Settlements projects. Mbhashe LM basic services are provided by three internal departments, namely, Infrastructure Services, Community Services and Planning & Development. Focus areas for basic services are as follows: municipal roads and storm water, infrastructure community services (community halls etc), electrification (community lights & households connection), solid waste, traffic, safety and security, Registering Authority Services (Agent for Department of Transport), environmental management, libraries (agent for DSRAC), disaster management function, land use management, building regulations and human settlements. Water and Sanitation services are rendered by Amathole DM which is the Water Service Authority (WSA) and Water Services Provider (WSP).

The provision and maintenance of road cuts across the functional areas of the Department of Transport DOT, ADM and Mbhashe LM. Mbhashe LM managed to construct 13.4KM of new roads and maintained 103.2 KM of gravel roads. This was achieved with MIG and In-house construction/maintenance teams on each unit.

CHAPTER 3

In terms of electricity distribution, Eskom is the licensed distributor of electricity in the whole of Mbhashe Municipal Area.

In addition to other service delivery issues is the housing. The housing delivery process is very slow because the municipality does not have the developer status. All project implementation responsibilities are done by the Department of Human Settlement. The municipality's housing sub-unit is coordinated by the housing officer reporting to the Land and Housing manager.

Mbhashe LM is providing waste management services to three units which is Dutywa, Gatyana and Xhorha. Collection of waste is done seven days a week in the case of urban areas and in the surrounding low cost and informal settlements: two days a week in the case of rural areas. This arrangement far surpasses the national norm of a minimum once a week. Dutywa and Gatyana are licensed for closure and Xhorha landfill licensed for operation. The municipality has identified a space to construct landfill site at Dutywa and planning processes are still in progress.

T.3.1.0

3.1. WATER PROVISION

Introduction to water provision

Mbhashe Municipality is not a Water Service Authority (WSA) nor is a Water Service Provider (WSP), Amathole District Municipality (ADM) is responsible for both WSA & WSP. ADM has WSP satellite units to serve Mbhashe Local Municipality in each unit and through District Engineering Forum and Water Forum that are facilitated by ADM and there is an integration and information for the planned and implemented projects.

Challenges

Old water services infrastructure in all three towns (Dutywa, Xhorha, and Gatyana).

Shortage of drinking water supply especially in Dutywa town.

Lack of Bulk infrastructure in all three towns (Dutywa, Xhorha, Gatyana)

There is no wastewater treatment plant in Xhorha and Gatyana

Slow implementation of rural sanitation program.

Huge water backlogs in the rural areas.

The above challenges have negative effect on future developments in all towns.

T 3.1.1

3.2 WASTEWATER (SANITATION) PROVISION

Dutywa has the waste water treatment plant, however at Gatyana and Xhorha, there is no waste water treatment plant.

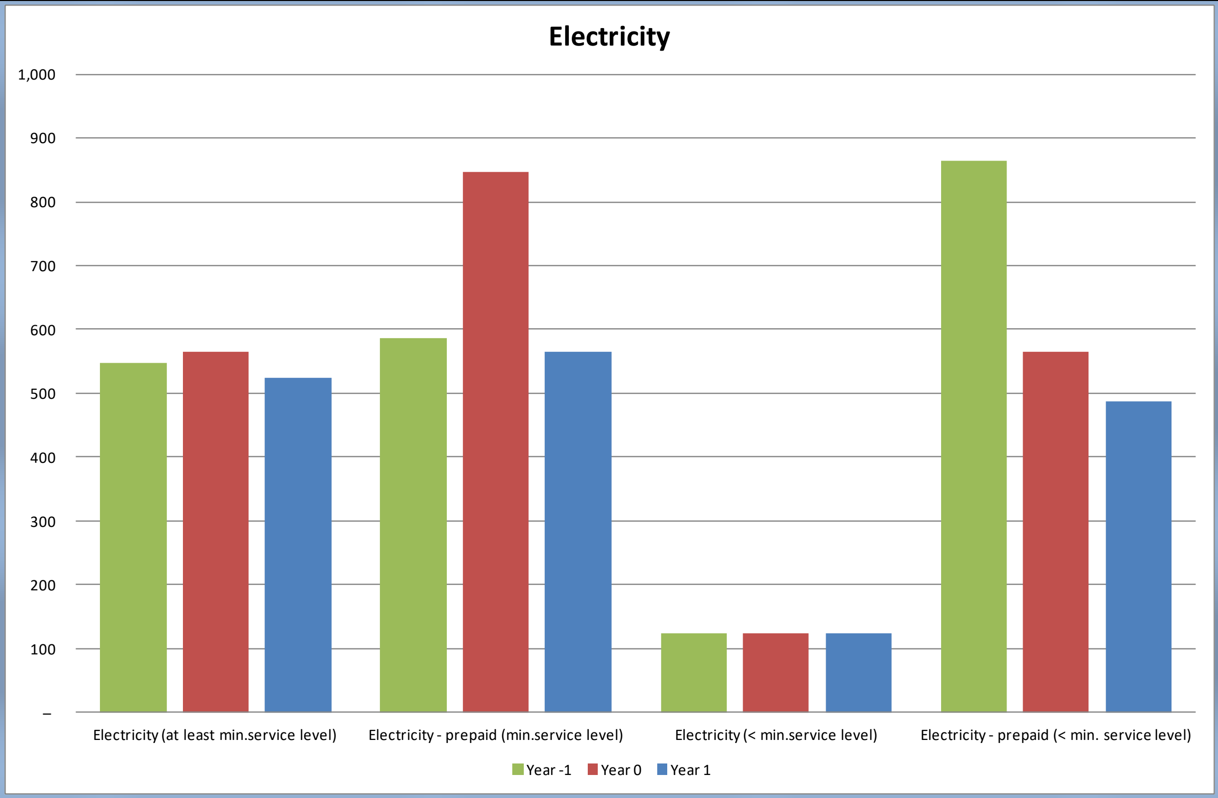
T3.2.1

ELECTRICITY

INTRODUCTION TO ELECTRICITY

ESKOM is the licensed distributor of electricity in the whole area of Mbhashe LM. Mbhashe Local Municipality, therefore, is not a licensed distributor of electricity; Integrated National Electrification Programme (INEP) grant under Schedule 5 of Division of Revenue Act for household electrification is being received by Mbhashe LM for Electrification Programme. INEP under DMRE allocated R9 029 000,00 to the municipality to implement prioritised electrification projects for the year 2024/25 FY.

T3.3.1



T3.3.2

Electricity Services Delivery Levels				
	Year-3	Year-2	Year-1	Year-0
Description	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity (at least min.service level)	48861	48861	54218	54652
Electricity - prepaid (min.service level)	48861	48861	54218	54652
Minimum Service Level and Above sub-total	97722	97722	108436	109304

Minimum Service Level and Above Percentage	81%	81%	90%	**90,8%**
Energy: (below minimum level)				
Electricity (< min.service level)	6266	6266	3650	
Electricity - prepaid (< min. service level)	0	0	0	0
Other energy sources	11263	11263	0.00	0.00
Below Minimum Service Level sub-total	**11263**	**6266**	**6266**	**5098**
Below Minimum Service Level Percentage	**19%**	**10%**	**10%**	**5%**
Total number of households	60124	60124	60124	60124

T 3.3.3

Households – Electricity Service Delivery Levels below the minimum						
						Households
Description	**Year -2**	**Year -1**	**Year -0**	**Year 1**		
	Actual No	**Actual No**	**Actual No**	**Original Budget No**	**Adjusted Budget No**	**Actual No**
Formal Settlement						

Total Households	60124	60124	60124	360	360	434
Households below minimum service level	11263	5532	0	11263	0	0
Proportion of households below minimum service level	81%	81%	90%	0	0	0
Informal Settlements						
Total Households	0	0	0	0	0	0
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0	0
						T3.3.4

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP

Electricity Service Policy Objectives Taken from IDP									
Service Objectives	Outline Service Targets	Year 0		Year1			Year 2	Year 3	
		Target	Actual	Target		Actual	Target		
Service Indicators		Previous Year		Previous Year	Current Year		Current Year	Current Year	Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
To construct, maintain and upgrade quality infrastructure by June 2027	11.3km's of link lines constructed at ward 8 as follows: Msikithi-6.7km's Sibane-4.6km's	115 solar maintenances	30 solar maintained	360 grid 100 solar maintenances	434 households connected & 30 solar maintained	434	40 streetlights upgraded		50 streetlights upgraded
									T3.3.5

Employees: Electricity Services		
	Year -1	**Year 0**

Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	2	1	2	0	0%
7 – 9	2	1	2	0	0%
10 - 12	1	1	1	0	0%
13 - 15		0		0	
16 - 18		0		0	
19 - 20		0			
Total	5	3	5	0	0%
					T3.3.6

FINANCIAL PERFORMANCE YEAR 0: ELECTRICITY SERVICES					R'000
DETAILS	YEAR 1	YEAR 0			
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIENCE to BUDGET
Total operational revenue	6.492.000.00	9.029.000.00		9.029.000.00	0
Expenditure	6.492.000.00	9.029.000.00		9.029.000.00	0
Employees	1.926.907.12	2.340.000.00		2.340.000.00	0
Repairs and Maintenance	4.656.000.00	3.000.000.00		3.000.000.00	0
Others	-	-		-	
Total Operational Expenditure					
Net Operational Expenditure	**19.566.907.12**	**23.398.000.00**		**23.398.000.00**	
					T 3.3.7

T.3.3.7

Capital Expenditure Year 0: Electricity Services R' 000					
Capital Projects	**Year 0**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All					
Upgrade of Street lights	3 000 000	0	3 000 000	0%	3 000 000
Electrification	9 029 000	0	9 029 000		
					T 3.3.8

T.3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

ESKOM is the licensed distributor of electricity in the whole area of Mbhashe LM, therefore the Municipality is not a licensed distributor of electricity. Integrated National Electrification Programme (INEP) grant under Schedule 5 of Division of Revenue Act for household electrification is being received by Mbhashe LM for Electrification Programme. As at the end of 2024/25 financial year construction of linkline in Msikithi and Sibane was completed. The Department of Minerals Resources and Energy granted Mbhashe Local Municipality an allocation of R9 029 000.00 for 2024/25 FY.

T3.3.9

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Mbhashe municipality is responsible for providing Waste Management services to its areas of jurisdiction. Waste Management Services is the main municipal service rendered by Mbhashe under the Community Services and as such should receive the requisite attention from the institution.

The municipality provides for waste management services that includes waste collection, street cleaning, clearing of illegal dumping and waste disposal facilities. During this financial year waste sorting and recycling was continued across to all wards through ward-based waste management forum. The EPRs (Extended Producer Responsible Organisations were invited to form part of the Forum and pledged to the Institution how they will assist Waste pickers within the municipality.

Regular solid waste collection is provided to business, institutions, and households within the areas of the municipality. An addition of waste vehicles was introduced, and recycling bins installed in the streets of Dutywa and Willowvale.

T3.4.1

Solid Waste Service Delivery Levels				
				Households
Description	**Year -3**	**Year -2**	**Year -1**	**Year 0**
	Actual No.	**Actual No.**	**Actual No.**	**Actual No.**
Solid Waste Removal (Minimum level)				
Minimum service level & above subtotal	2029	2029	2029	1345
Minimum service level & above percentage	100	80%	95%	95%
Solid waste removal (below minimum level)				
Removed less frequently than one week	0	0	0	0
Using communal refuse dump site	164	164	164	77
Other rubbish disposal	0	0	0	0
No rubbish disposal	0	0	0	0

Below minimum service level subtotal	164			
Below minimum service level percentage	10			
Total number of households	164			77

T3.4.2

Households- Solid Waste Service Delivery Levels Below The Minimum						
Description	**Year 3**	**Year 2**	**Year 1**	**Year 0**		
	Actual No	**Actual No**	**Actual No**	**Original budget No**	**Adjusted Budget No**	**Actual Budget No**
Households below minimum service level	60124	164	6 050 000	500 000		6 550 000
Proportion of households below minimum service level	70%+	0		20%		20%

T3.4.3

Waste Management Service Policy Objectives Taken From IDP								
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**				**2024/25**
		Target	**Actual**	**Target**		**Actual**	**Target**	
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**
By providing quality waste management services								
To provide effective and affordable safety services to the community Municipality by 2027	No of households & commercial areas serviced at Dutywa, Gatyana & Xhorha	164 Households and 20 commercials	164 Households and 20 commercials	164 Households and 20 commercials	164 Households and 20 commercials	164 Households and 20 commercials	77 Households and commercials	77 Households and commercials

T.3.4.4

CHAPTER 3

Job Level					
Job Level	Employees	Posts			
	No.	No.	Employees	No.	No.
0 – 3	59	1	0-3	38	1
4 – 6	22	3	4 – 6	18	3
7 – 9	22	4	7 – 9	21	2
10 – 12	5	2	10 – 12	5	2
13 – 14	0	0	13 – 14	0	0
16 – 18	2	2	16 – 18	2	2
19 – 20	0	0	19 – 20	0	0
Total	110	12	Total	84	10
Job Level	**Year -1**	**Year 0**	**Job Level**	**Year -1**	**Year 0**

T.3.4.5

Financial Performance Year 0: Solid Waste Management Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**700 000.00**	**R 25 443 000.00**	**0**	**R 25 443 000.00**	**0**
Expenditure:					

Employees	12,504,170.00	21,113,771.75	21,113,771.75	20,083,618.59	4%
Repairs and Maintenance	2,254,122.00	55,000.00	55,000.00	55,000.00	0%
Other	7,181,808.00	9, 127,899.00	9, 127,899.00	4,350,460.00	53%
Total Operational Expenditure	**21,940,100.00**	**30,296,670.75**	**30,296,670.75**	**24,489,078.59**	**6%**
Net Operational Expenditure	**-21,254,640.00**	**-29,596,670.75**	**-29,596,670.75**	**-20,998,146.59**	**71%**
					T 3.4.7

Capital Expenditure Year 0: Waste Management Services					
Capital Projects	**Year 0**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All	R 860 361 50	0	R 300 000.00	0	0
Street Recycling Bins	R 342 700.00		R	0	0
Skip Loader Truck with 5 bins	518 661.50	0	518 661.50	0	0

Capital Expenditure Year 0: Waste Management Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	**5 992667.23**	**-**	**-**	**0%**	**-**
Skip Loader Truck with 10 Skip Bins	1 313 242.50		1 313 242.50	0%	-
BackHoe Loader Truck	3 837 751.23		3 837 751.23	0%	-
Skip loAader trailer with 10 skip bins	411 573.50		411 573.50	0%	-
Two Tipper Trailers	430 100.00		430 100.00	0%	-
	-	-	-	0%	-

T3.4.9

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The Mbhashe Local Municipality has so much improvement in the operations of Waste & Environmental management. Since the introduction of initiatives in collecting waste material like PET, Polypropylene and Cardboard. Moreover, the Introduction of clear bag system continues to make it effective for the waste pickers to identify items they need from the refuse bag thus combating illegal dumping. The municipality has also added specialised waste vehicles for the collection of waste with the following Machinery like the Skip Loader trailer that assist in the collection of these waste.

Skip Loader Trucks with 10 Skip Bins (6 cubic metres)

Skip Loader trailer with 10 Skip bins (3 cubic metres)

Two Tipper Trailers (1000kg)

With the allocation of this machinery, a lot of improvement on waste collection, recycling and reduction of illegal dumps is expected.

T3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

Mbhashe is comprised of 612 rural villages that accommodated 94 % of the total population, indicated the rural nature of the municipality. According to SA Statistics, 2022 Census, two thirds (69%: 34 476 households) of the households in the Municipality live in formal dwellings, whilst a third (30%: 15 734 households) live in traditional dwellings. The majority of households (67%) lived in traditional dwellings in 2011, showing a significant increase in households (37%) having access to formal houses in rural areas in the past 10 years. The 2022 Census records that 268 households (1%) live in informal dwelling structures (shacks) within the entire municipality, which indicates a possible and significant undercount. T 3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements

Year - 3	4462	1168	31%
Year - 2	4374	1147	28%
Year - 1	25562	24135	41.1%
Year 0			
Source:2023 Mbhashe Housing sector plan ***T 3.5.2***			

Housing Service Policy Objectives taken from IDP						
Service Objectives / Service Indicators	Service targets	2021/22		2022/2023		2023/24
		Target	Actual	Target	Actual	Target
By facilitating the provision of appropriate houses to destitute households.						
To Facilitate the development of sustainable and viable human settlements by June 2027	Number of relocation plans developed for Dutywa (W9) and Gatyana (W25)	-	-	-	2	2

T3.5.3

EMPLOYEES: HOUSING SERVICES		
Job level	**2022/23**	**2023/24**

	No. of employees	No. of posts	No. of employees	No. of vacancies	Vacancies as a total of vacant posts
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 – 12	2	2	2	0	0
13 – 15	0	0	0	0	0
16 – 18	1	1	1	0	0
Total	3	3	3	0	0%

T3.5.4

Financial Performance Year 0: Housing Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	0%
Expenditure:					
Employees	2,550,462.67	2,938,896.00	2,938,896.00	2,938,894.00	0%
Repairs and Maintenance	1,405,246.19	1,572,000.00	1,410,333.00	984,928.00	30%
Other	6,365,610.25	3,387,293.00	3,838,200.00	3,084,989.00	20%
Total Operational Expenditure	**10,321,319.11**	**7,898,189.00**	**8,187,429.00**	**7,008,811.00**	**14%**
Net Operational Expenditure	**-10,321,319.11**	**-7,898,189.00**	**-8,187,429.00**	**-7,008,811.00**	**14%**

T3.5.5

Capital Expenditure Year 0: Housing Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	0%	-
	-		-		-

No expenditure in previous years.

T3.5.6

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL Whilst Housing is not the municipality's function; the municipality facilitates and plans for housing development. In the 2023/2024 financial year; the municipality has managed to facilitate construction of 111 houses at Gatyana

Beside the provision of housing as outlined above, the municipality has facilitated the provision of housing for the destitute and the provision of emergency housing for those affected by disaster. In the 203/2024 financial year, about 99 destitute houses (houses in different stages of construction) are constructed in Dutywa and Xhorha respectively.

However, the main challenges remain the land claims, land invasion, poorly built houses in the Xhorha and Gatyana. T 3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

CHAPTER 3

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Mbhashe Municipality's intervention to adopt and implement the Free Basic Alternative Program goes a long way to ensuring that a better life for all is a foreseeable reality and specifically to improve its capacity towards service delivery to its citizens. The Municipality has reviewed an Indigent support which was approved by the Council in May 2025

The municipality has provided the following services under its indigent support program:

1. Refuse removal

2. Electricity to indigents

3. Solar alternative energy

4. Water and Sanitation- provided by Amathole DM

The Free Basic Services objectives are to provide indigent households with access to basic services. This support is funded through equitable share received from National Treasury.

There has been assistance in non-electrified areas by providing them with free basic alternative energy in the form of solar panels.

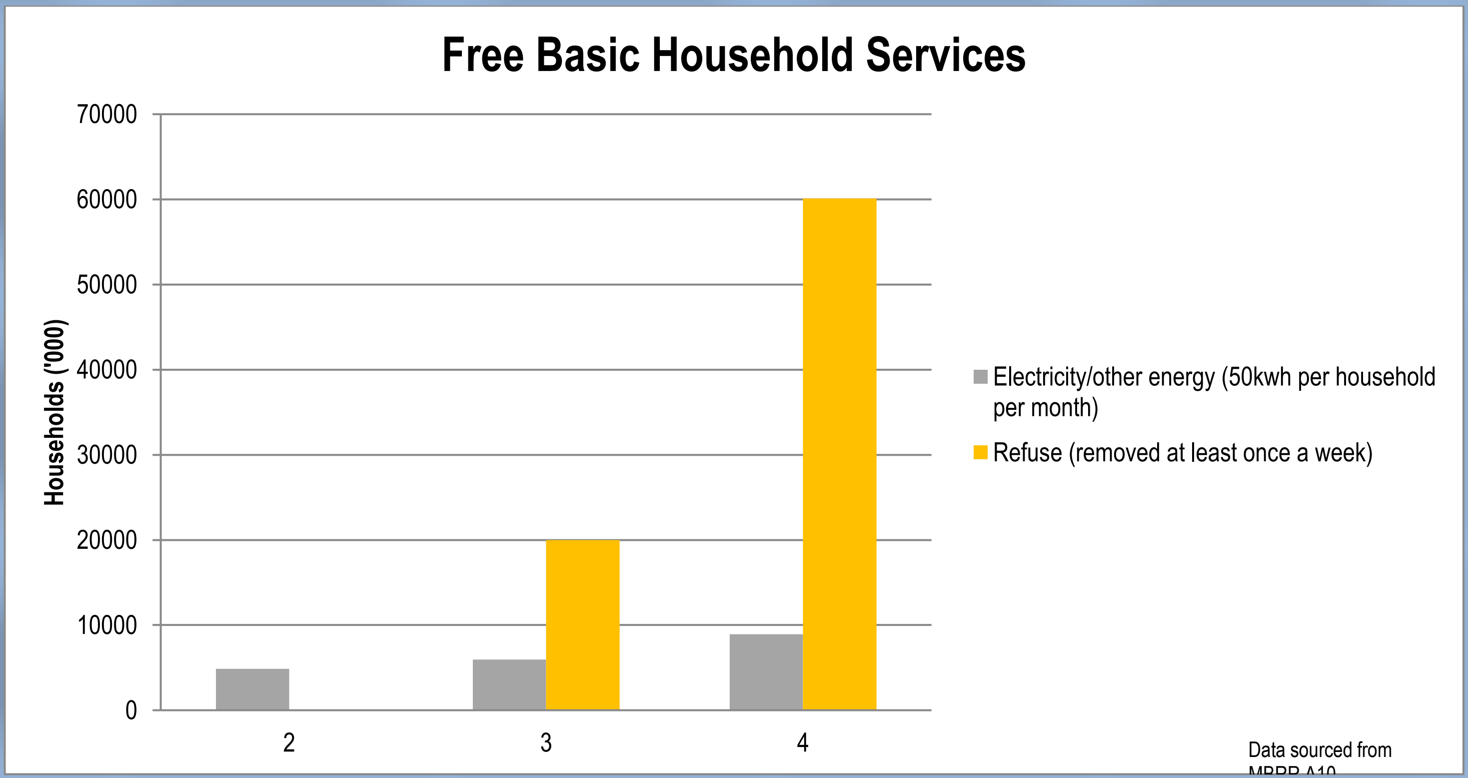
The municipality through ESKOM is providing the registered indigents with 50Klw electricity per households.

The municipality has also provided free refuse removal services to all communities of Mbhashe at no cost. This intervention is aimed at promoting a clean environment. The municipality is also providing monthly free electricity tokens of 50kws for indigent household through Eskom Free Basic Account. This service has been affected by the updating and reviewal of the Indigent Register and updating of the Eskom contract. Monthly free electricity tokens have been rolled out for all ward beneficiaries during 2024/25 FY.

The municipality has established a free basic services unit and a Free Basic Services Steering Committee composed of officias, councillors and ward committees. The municipality has an indigent register which is updated on a yearly basis whenever there are changes in the housing needs register.

The municipality is on track to fully comply with provisions of the equitable share allocation, which dictates that the municipality must fully support indigent residents within its jurisdiction

T3.6.1



T3.6.2

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year - 2	2791		0	0%	0	0%	240	9%	109	4%
Year - 1	2791		0	0%	0	0%	250	9%	109	4%
Year - 0	2791		0	0%	0	0%	280	10%	188	7%

T3.6.3

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Electricity	654.737.00	869.565.21	869.565.21	807.785.00	61.780.21
Waste Management (Solid Waste)	1.706.527.00	1.539.130.39	1.539.130.39	917.509.00	621.621.39
Total	**2.361.264.00**	**2.408.695.60**	**2.408.695.60**	**1.725.294.00**	**683.401.60**

T3.6.4

Free Basic Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**Year -1**		**Year 0**			**Year 1**	**Year 3**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
To alleviate poverty to improve quality of household life by June 2027.									
By investigating and advising on poor	Free Basic Services	1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register

households to participate in indigent support program		% spent on the allocated equitable share portion towards free basic services	% spent on the allocated equitable share portion towards free basic services	% spent on the allocated equitable share portion towards free basic services	% spent on the allocated equitable share portion towards free basic services	% spent on the allocated equitable share portion towards free basic services	% spent on the allocated equitable share portion towards free basic services	% spent on the allocated equitable share portion towards free basic services	% spent on the allocated equitable share portion towards free basic services

T3.6.5

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The Municipality through Rural Waste Removal project has assisted all rural households during the 2023/24 financial year, however this was not implemented during the 2024/25 financial year due to budget constraints.

The Indigent households are supported through electricity 50Kw, Refuse removal through rural waste project and Solar panels by the municipality.

T3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes roads; transport; and wastewater (stormwater drainage).

INTRODUCTION TO ROAD TRANSPORT

Mbhashe Local Municipality is providing almost all the licensing activities, starting from Learners Licence service and Drivers Licences, Registering Authority (RA). All these activities are currently happening at Dutywa but an application for satellite office at Xhora for learners' licence has been done to the Provincial department of transport.

Mbhashe Local Municipality does not provide bus service. The provision and maintenance of roads cuts across the functional areas of the National Department of Transport (NDOT), Department of Transport Eastern Cape (DOT), Amathole District Municipality (ADM) and Mbhashe Local Municipality (MLM).

NDOT, DOT and the District Municipality developed Roads Classification for all the LMs funded through the Rural Road Asset Management System (RRAMS) grant, commenced late in 2011. Under this project DOT appointed service provider Engineering Advice and Services (EAS) to revisit and update the centreline data set, using aerial photography in order to include all possible access roads. This has assisted local municipalities in understanding their status of road network.

CHAPTER 3

Mbhashe Local Municipality is a rural municipality that relies on Municipal Infrastructure Grant and some portion of revenue is generated by the municipality to deliver services to its communities. Through this grant the municipality has managed to construct and complete 13.4 Kms of graveled access roads. It is important to note that the municipality has been achieving 100% in the expenditure of MIG with no funds being stopped. The Municipality has spent 100% of its MIG funding for 2024/25 financial year. Our MIG allocation is too minimal to accommodate municipal backlogs. The municipality is engaging with other sector department to eradicate backlog.

Rural Roads Asset Management System (RRAMS) for Mbhashe L.M classification of roads lies with the Amathole District Municipality. Rural Road Asset Management System indicates that the total length of road network in the entire Mbhashe Municipal area is 2711.90km. The total length for National Roads is 40.60 km, total length for Provincial Roads is 776.53km (684.93km is unsurfaced) and the total length for Municipal Access Roads is 2151.8 km.

RRAMS indicated that Mbhashe Local Municipality has huge roads backlog especially on Class 4 and 5 which is the Public Municipal Roads and Non-motorized Access Ways. The total km for municipal roads class 5 is 1918.38km which is 89% of Class 5 are backlogs. There is an addition of 13.4km of new roads.

Mbhashe Local Municipality has an in-house maintenance/construction team in each unit with machines that are operating, conducting maintenance of access roads. Municipality is undertaking a flexible routine roads maintenance schedule for all access roads. As part of Local Economic Development, the Municipality has appointed local SMMEs to stimulate growth and assist to fast track on maintenance programme. Through equitable share and Disaster funds Mbhashe Local Municipality managed to maintain 103.2km of gravel roads in the year under review.

There are also service providers responsible for plant and machinery on the following:

Municipal plant service and repairs

Backup machinery

Supply and delivery of tyres and repairs All above services are requested as per the need and as required to fast track repairing processes to avoid delays on service delivery for a period of 3 years**.**

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

The provision and maintenance of roads cuts across the functional areas of the National Department of Transport (NDOT), Department of Transport Eastern Cape (DOT), Amathole District Municipality (ADM) and Mbhashe Local Municipality (MLM).

NDOT, DOT and the District Municipalities established Roads Classification for all the LMAs funded through the Rural Road Asset Management System (RRAMS) grant, commenced late in 2011. Under this project DOT appointed service provider Engineering Advice and Services (EAS) to revisit and update the centerline data set, using aerial photography in order to include all possible access roads. ADM formed part of RAMS program covering all its Local Municipalities where Mbhashe Municipality also participated.

The DOT has thus mapped and classified all un-proclaimed gravel roads, earth roads and tracks that appear to serve a public purpose. This includes formal streets within urban and peri-urban areas as well as tracks and roads within informal settlements, peri-urban and rural areas. These roads have all been divided into links (intersection to intersection), assigned reference numbers and where available, road names. All this data is stored on a consolidated GIS database.

The finalized road classification data for provincial and municipal road networks has now been made available to the National Department of Transport, the Eastern Cape Department of Transport and all Local and District Municipalities by the provision of maps. The Department published a full list of provincial roads in terms of Section 2 of the Eastern Cape Roads Act (Act 3 of 2003).

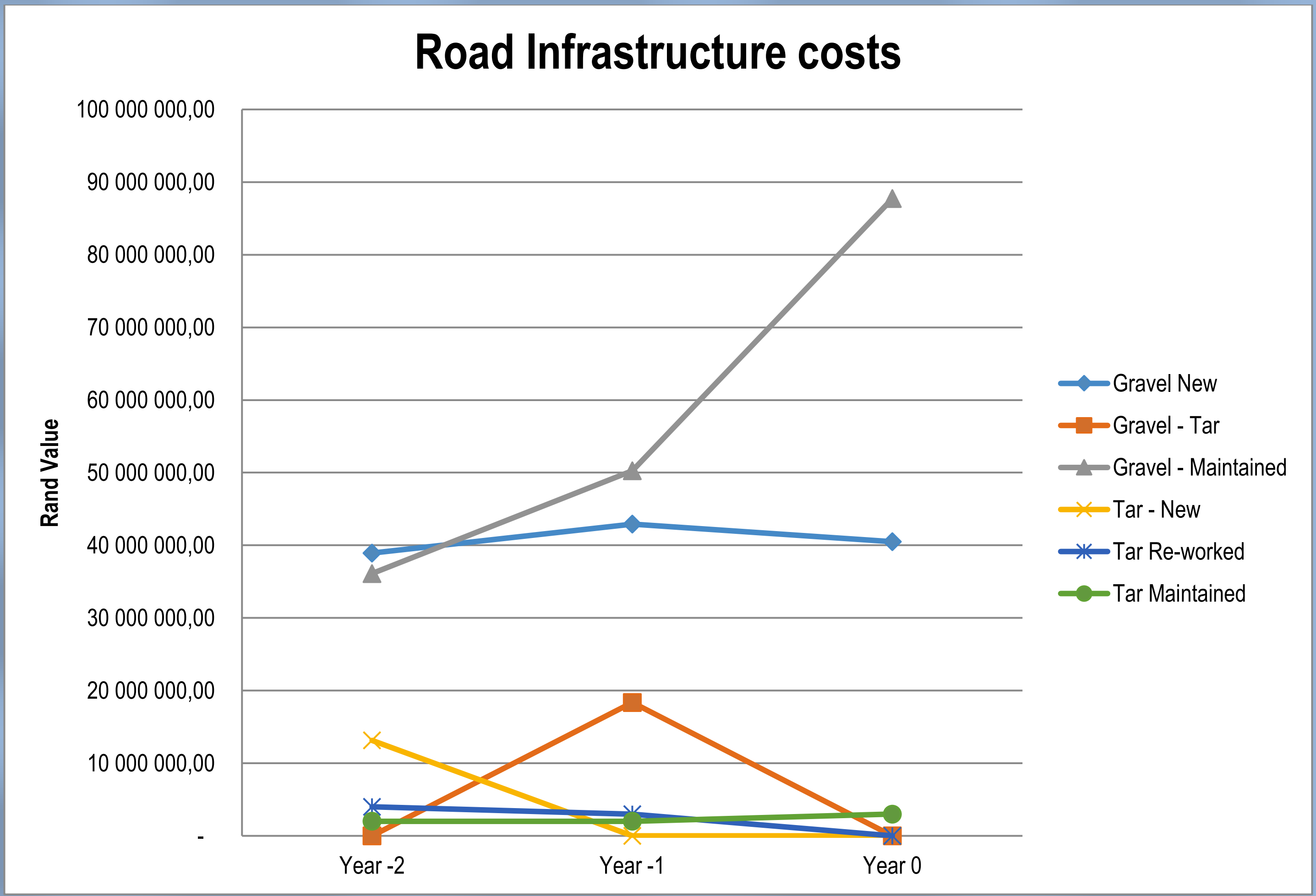
Rural Road Asset Management System (RRAMS) indicates that the total length of road network in the entire Mbhashe Municipal area was 2875.14km however currently the updated total number is 2930.34km. The total length for National Roads is 40.60 km, total length for Provincial Roads is 776.53km of which 684.93km is unsurfaced, and the total length for Municipal Access Roads is 2173.2km. **T 3.7.1**

Gravel Road Infrastructure				
				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -1	235	21.4	0	231.66
Year 0	267.2	32.2	0	103.2
Year -1	235	21.4	0	231.66
				T 3.7.2

TAR ROAD INFRASTRUCTURE

	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -2	114	0	0	0	15
Year -1	114	1.32	0	0	15.2
Year 0	114	0	0	0	285
					T 3.7.3

Cost of Construction/Maintenance						
						R' 000
	Gravel			**Tar**		
	New	**Gravel - Tar**	**Maintained**	**New**	**Re-worked**	**Maintained**
Year -2	R38 931 634,24	R0,00	R36 112 561,00	R13 136 094,84	R4 000 000,00	R2 000 000,00
Year -1	R39 119 276,41	R18 357 573,60	R50 257 560,00	R0,00	R3 000 000,00	R2 000 000,00
Year 0	R40 515 711.55	R0	R87 718 616.45	R0	R0	R3 000 000
						T 3.7.4


Road Infrastructure costs
Rand Value
100 000 000,00
90 000 000,00
80 000 000,00
70 000 000,00
60 000 000,00
50 000 000,00
40 000 000,00
30 000 000,00
20 000 000,00
10 000 000,00
-
Year -2
Year -1
Year 0
Gravel New
Gravel - Tar
Gravel - Maintained
Tar - New
Tar Re-worked
Tar Maintained

T 3.7.5

Roads Service Policy Objectives Taken From IDP						
Service Objectives / *Service Indicators*	**Outline Service Targets**	**2023/24**		**2024/25**		**2025/26**
		Target	**Actual**	**Target**	**Actual**	
		***Previous Year**		***Current Year**		***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**		**(vi)**
To develop, maintain and upgrade quality infrastructure through integrated planning, taking short, medium and long term needs into consideration, and fulfilling these within the parameters of sound financial management by 2027						
To develop maintain and upgrade quality infrastructure by 2027	*No. of kms of roads constructed*	23.8	23.4	35.3	32.2	26.1
	No. of kms of roads maintained	240	230.3	60	103.2	60
	No. of m paved with interlocking blocks	*510*	*230*	*1000*	*330*	*450*
	No.km upgraded	*1.37*	*1.37*	*2.441*	*2.571*	*1.722*
By doing skills audit and enhance operators with limited skills by providing accredited trainings	*No. of accredited qualifications*	*24*	*17*	*24*	*5*	*5*

T3.7.6

Financial Performance Year 1: Road Services

R'000					
Details	**Year -1**	**Year 0**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue					**0%**
Expenditure:					
Employees	13 589 531.94	22 834 600.17	22 834 600.17	20 351 415.19	90%
Repairs and Maintenance	39 712 561	87.718.616.45	87.718.616.45	87.718.616.45	0%
Construction	45 541 817.17	39.119.276.41	39.119.276.41	39.119.276.41	0%
Total Operational Expenditure	**98 843 910.11**	**149 672 493.03**	**149 672 493.03**	**147 189 308.05**	**98%**
Net Operational Expenditure					**%** **T3.7.8**

Capital Expenditure Year 0: Road Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R39.119.276.41	-R5.748.655.16	R33.370.621.25	-17%	R97.165.433.26
Sikhobeni to Caba access road	R1.015.965.63	R1.732.861.09	R2.748.826.72	63%	R12.319.312.53
Emkhwezeni to Nqadu JSS	*R4.290.730.60*	-R4.092.725.91	R198.004.69	-2067%	R4.859.911.02
Bolish to Nqabarha Access Road (Construction)	*R6.175.249.09*	R3.252.570.39	R9.427.819.48	34%	R15.936.472.86
Bobani Access Road (Construction)	*R5.791.559.04*	-R2.745.175.25	R3.046.383.79	-90%	R8.002.688.00
Ntlahlane Access Road (Construction)	*R4.325.811.74*	-R4.169.181.74	R156.630.00	-2662%	R4.342.959.73
Ndudumeni to Tywaka Access Road (Construction)	*R3.869.728.50*	-R3.318.172.68	R551.555.82	-602%	R6.784.152.62
Ntilini to Botwe Access Road (Construction)	*R4.763.044.93*	-R1.906.427.28	R2.856.617.65	-67%	R10.915.789.00
Mngxabakazi Access Road (Construction)	R1.383.466.50	-R508.344.97	R875.121.53	-58%	R4.192.322.72
No-Ofisi to Mthonjeni Access road	*R350.000.00*	-R44.455.18	R305.544.82	-15%	R350 000.00
Gqukesi to Qhorha Access road	R350.000.00	-R380.00	R349.620.00	0%	R350 000.00
Bomvana to Lalini Access road	R350.000.00	-R50.908.46	R299.091.54	-17%	R350 000.00
Makabongwe shop to Jikanaye Access road	R350.000.00	-R94.959.72	R255.040.28	-37%	R350 000.00
Quku to Mpume Access road	R350.000.00	-R350.000.00	R0.00	100%	R350 000.00
NoCwane to Diphini Access road	R350.000.00	-R80.000.00	R270.000.00	-30%	R350 000.00
Magwevini Access road	R350.000.00	-R80.000.00	R270.000.00	-30%	R350 000.00
Riverview to Langeni Access road	R2.377.808.38	R5.475.303.72	R7.853.112.10	70%	R16.646.002.11
Mathunzini to Nqileni Access road	R2.675.912.00	R1.231.340.83	R3.907.252.83	32%	R13.165.822.67
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.7.9*

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The provision and maintenance of roads cuts across the functional areas of the Department of Transport, the Amathole District Municipality and the Mbhashe Local Municipality. Municipality managed to construct 13.4 km through MIG and maintained 103.2 km using Equitable share and Disaster fund budget and through the Office of the Premier. The largest capital projects that were prioritized in the IDP were Ntlonyana Bridge Ward 20, Mathunzini Access Road Ward 26 and Xhora mouth bridge ward 19. T 3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

Mbhashe Local Municipal is providing licensing activities, as follows: Learners Licence service and Drivers Licences, Registering Authority (RA). All these activities are currently happening at Dutywa, plans to expand RA services at Xhora are afoot. Mbhashe Local Municipality does not provide bus services.

T 3.8.1

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The Municipality in the past three years has been installing storm water drainages and culverts to address the problem of damaged access roads. The Municipality does not have proper storm water drainage in towns and throughout the Mbhashe area, as a result there is a target under year review that has been set for installation of storm water drainages in all three towns of Mbhashe. The Municipality committed budget for paving and to upgrade storm water drainage through the usage of SMMEs. There is a challenge of bridges in the rural areas along the coast but there is limited budget, however the Municipality is gradually addressing the challenge.

The Municipality is supporting rural development and informal settlements through maintenance of gravel roads. During the year under review, the Municipality has prioritized construction of new access roads, gravel roads etc.

T 3.9.1

Stormwater Infrastructure				
				Kilometers
	Total Stormwater measures	**New stormwater measures**	**Stormwater measures upgraded**	**Stormwater measures maintained**
Year -2	32	0	32	0
Year -1	96	0	96	0

Year 0	96	0	96	0
T 3.9.2				

Cost of Construction/Maintenance R' 000			
	Stormwater Measures		
	New	Upgraded	Maintained
Year - 2	300.000	200000	250.000
Year - 1	424.200	78000	978.000
Year 0	200.000	300000	100.000
T 3.9.3			

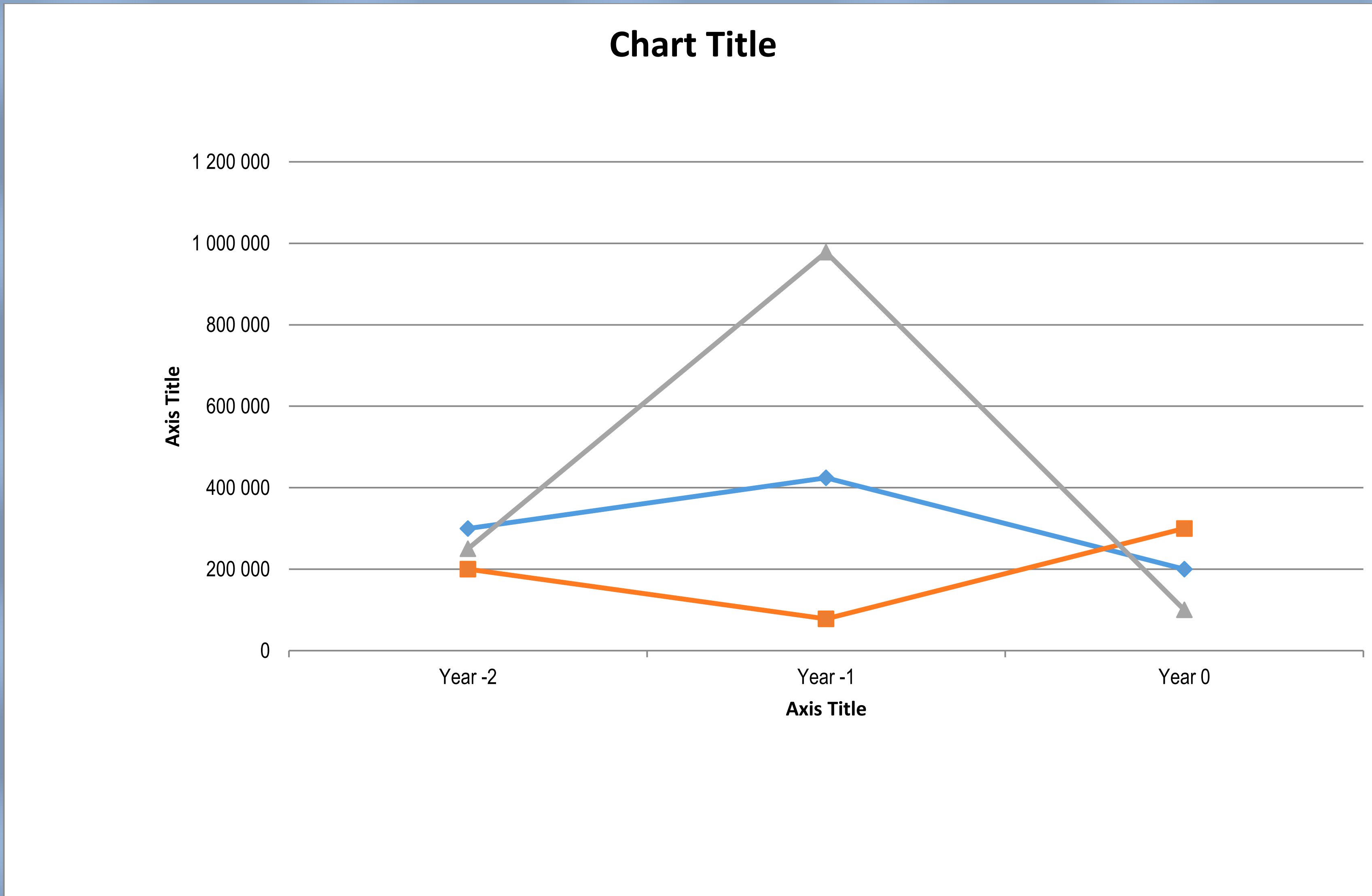


Chart Title
1 200 000
1 000 000
800 000
600 000
400 000
200 000
0
Axis Title
Year -2
Year -1
Year 0
Axis Title

T3.9.4

STORM WATER POLICY OBJECTIVES TAKEN FROM IDP

SERVICE OBJECTIVES	OUTLINE SERVICE TARGET	PREVIOUS YEAR	PREVIOUS YEAR	CURRENT YEAR	CURRENT YEAR	CURRENT YEAR	FOLLOWING YEAR
To develop, maintain and upgrade quality infrastructure by 2027	Number of storm water culverts and channels upgraded in each unit (Gatyana, Xhorha and Dutywa)	99 storm water controls measures have been upgraded for all units (Gatyana Xhorha and Dutywa)	99 storm water controls measures have been upgraded for all units (Gatyana Xhorha and Dutywa)	32 storm water controls measures have been upgraded for all units (Gatyana Xhorha and Dutywa)	32 storm water controls measures have been upgraded for all units (Gatyana Xhorha and Dutywa)	32 storm water controls measures have been upgraded for all units (Gatyana Xhorha and Dutywa)	32 storm water controls measures have been upgraded for all units (Gatyana Xhorha and Dutywa)

T3.9.5

Employees: Storm-water services					
Job Level	**Job Level**	**Job Level**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 – 3	0	0	0	0	0%
4 – 6	23	7	24	7	4%
7 – 9	0	0	0	0	0%

10 – 12	3	1	3	0	0%
13 – 15	10	0	0	0	0%
16 – 18	1	1	1	0	0%
19 – 20	0	0	0	0	0%
Total	Total	Total	Total	Total	Total
	27	9	28	7	4%

T3.9.6

Financial Performance Year 0: PMU					
					R'000
Details	**Year -1**	**Year 0**			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	**66.706.000.00**	**70.329.000.00**	**70.329.000.00**	**70.329.000.00**	**100%**
Expenditure:					
Employees	13.589.531.00	22.834.600.00	22.834.600.00	20.351.415.00	89%
Repairs and Maintenance	53.199.063.00	82.956.738.38	86.993.660.27	64.418.606.00	74%
Other					
Total Operating Expenditure	**66.788.594.00**	**105.791.338.38**	**109.828.260.27**	**84.770.021.00**	**77%**
Net Operating Expenditure	**-82.594.00**	**-35.462.338.38**	**-39.499.260.27**	**-14.441.021.00**	

Capital Expenditure Year 0: Stormwater Services

				R' 000
Year 0				
Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
25.103.879.78	6.464.162.83	21.578.137.88	-16%	53.105.052.53
19.058.704.91	5.232.822.00	14.301.622.18	-33%	21.195.344.68
3.369.262.87	0.00	3.369.262.87	0%	18.743.885.18
2.675.912.00	1.231.340.83	3.907.252.83	32%	13.165.822.67
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.				*T 3.9.8*

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Storm water drainage is considered as an ongoing operational activity which is identified on a quarterly basis whilst not included in the IDP but included on the SDBIP and is measured on a quarterly basis. however an annual budget is made available for any unforeseen circumstances for all three units. All these activities are done with the in-house teams.

All storm water control measures are installed at all three units as per the annual targets and based on the available budget. Information contained in T 3.9.8 is inclusive of information on T 3.9.7.

T3.9.9

Name of Project - A	Xhora Mouth bridge
Objective of project	To construct, maintain and upgrade quality infrastructure
Delays	Inclement weather

Future challenges	Perceived climate change
Anticipated citizens benefits	Easy access to services
Name of Project - B	Sikhobeni to Caba Access Road
Objective of project	To construct, maintain and upgrade quality infrastructure
Delays	Inclement weather
Future challenges	Perceived climate change
Anticipated citizens benefits	Easy access to services
Name of Project - C	Ntlonyana Bridge
Objective of project	To construct, maintain and upgrade quality infrastructure
Delays	Inclement weather
Future challenges	Perceived climate change
Anticipated citizens benefits	Easy access to services
Name of Project - D	Riverview to Langeni Access Road
Objective of project	To construct, maintain and upgrade quality infrastructure
Delays	Inclement weather
Future challeges	Perceived climate change
Anticipated citizens benefits	Easy access to services
Name of Project - E	Mathunzini to Nqileni Access Road
Objective of project	To construct, maintain and upgrade quality infrastructure
Delays	Inclement weather

Future challeges	Perceived climate change
Anticipated citizens benefits	Easy access to services
	T5.7.1
Name of Project - A	Xhora Mouth bridge
Objective of project	To construct, maintain and upgrade quality infrastructure
Delays	Inclement weather
Future challenges	Perceived climate change
Anticipated citizens benefits	Easy access to services
Name of Project - B	Sikhobeni to Caba Access Road
Objective of project	To construct, maintain and upgrade quality infrastructure
Delays	Inclement weather
Future challenges	Perceived climate change
Anticipated citizens benefits	Easy access to services
Name of Project - C	Ntlonyana Bridge
Objective of project	To construct, maintain and upgrade quality infrastructure
Delays	Inclement weather
Future challenges	Perceived climate change
Anticipated citizens benefits	Easy access to services
Name of Project - D	Riverview to Langeni Access Road
Objective of project	To construct, maintain and upgrade quality infrastructure
Delays	Inclement weather

Future challeges	Perceived climate change
Anticipated citizens benefits	Easy access to services
Name of Project - E	Mathunzini to Nqileni Access Road
Objective of project	To construct, maintain and upgrade quality infrastructure
Delays	Inclement weather
Future challeges	Perceived climate change
Anticipated citizens benefits	Easy access to services
	T5.7.1

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes planning, and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The municipality's planning section deals with issues of land use management thus

rezoning, sub-divisions, consent uses, departures, Lease Diagrams, township establishment, building control and consolidations. It also deals with spatial planning and land administration.

Challenges with regards to planning include the following:

Non-compliance with land uses and building controls regulations.

Land invasions and land claims

Business licenses not issued timeously due to no cooperation of other affected Departments.

Slow process in issuing business licenses.

Construction without the Building plan approval.

Illegal development occurring in environmental sensitive areas.

Non-adherence to lease agreements.

Delays in property transfers

Settlements built in agricultural viable land.

However, the town planning unit has put in place mechanisms to deal with non-compliance. The project on land audit for the three towns, Idutywa, Willowvale and Elliotdale was done in the 2020/21 financial year as a mechanism to identify and rectify all non-conforming land uses. During the year 2023/24 the department has been implementing the land audit recommendations. This project will also help to minimize the illegal use zones as per individual erven. In the same financial year, the department has embarked on conducting the Rural land audit which has been finalized.

During the Land Audit process, it was discovered that there are unregistered sites that do not appear in the deeds register. Some of these are known to be under private ownership whereas the majority belong to the municipality. A number of the properties that belong to the municipality are under lease. It is essential that the municipality investigates whether rates are being charged against the Municipal rates bill for those properties that are not under lease as it could be losing revenue (Annexure 6).

Conflicting Uses

These are all sites which are in contravention of land regulations in terms of the Transkei Standard Town Planning Scheme (1984). Assess of land use against zoning was done using the existing scheme. Again current billing as reflected on the valuation roll is based on outdated records. There are therefore discrepancies between municipal billing records and current land use. Some sites are reflected in the municipal records as utilized for a particular purpose whereas they are used for a different purpose. This means that such sites pay lower rates than what they should have been paying and this has serious loss of revenue implications for the municipality. This could be linked to the fact that the municipality is currently not updating land use records like maps as regularly, as necessary.

. Un-registered sites (Elliotdale)

Rural land audit was conducted in the financial year 2022/23 and in 2024/25 the focus will be on implementation of the recommendations.

T3.10

3.10 PLANNING

INTRODUCTION TO PLANNING

The legal mechanisms available to manage land use within the municipal jurisdiction include the following:

• The newly promulgated Spatial Planning and Land Use Management Act No 16 of 2013 (intended for urban and rural areas). However, the municipality has advertised for its own Municipal Planning Tribunal on the 10th of May 2022 for its second term of office with the following areas of specialization: - T

3.10.1

AREA OF EXPERTISE	QUALIFICATION	FIELD
Planning	A person registered as a professional with the South African Council for the planning profession in terms of the Planning Profession Act, 36 of 2002	Land use and Spatial Planning (10 years' experience)

Civil Engineering	A person registered as a professional with the Engineering Council of South Africa in terms of the Engineering Profession Act, 46 of 2000	Civil Engineering (10 years' experience)
Surveyor	A person registered with the South African Geomatics Council in terms of Geomatics Profession Act No.19, 2013	Land Use Survey (10 years' experience)
Environment	A registered environmentalist practitioner registered with any of the following associations: SACNASP, CIEM and IAIA	Environmental Planning (10 years' experience)
Legal	A person admitted as an attorney in terms of the attorneys Act, 53 of 1979 or advocate of the supreme court in terms of the Admission of Advocates Act, 74 of 1964	Property (10 years' experience)

During the financial year 2023/2024, all the MPT members were appointed and appointment letters were issued.

Associated Legislation applicable to activities linked to land use management, including NEMA, National Heritage Resources Act, the Wild Coast Decree and Coastal Management Act. Traditional administration systems that continues to control land allocation and resource utilisation in parts of the study area . The Interim Protection of Informal Land Rights Act, 1996 (IPILRA)

In terms of the MSA, SDF's should include "basic guidelines for a land use management system for the Municipality".

A Municipal Land Use Management System, in its broad sense, refers to all actions and mechanisms required by a Municipality to effectively manage land and land use within its area of jurisdiction. Key elements of a comprehensive Land Use Management System can include Spatial Development Frameworks, Land Use Schemes, Planning and Development Policies, Overlay Schemes, Environmental Management Plans, Transportation Development Frameworks, etc. Effective implementation of the LSDF is dependent on the effectiveness of the Municipality's Land Use Management System and implementation of the Package of Plans.

Successful Spatial Planning, Land Use Management and Land Development are dependent on the establishment of an effective link between Integrated Development Planning, Spatial Development Frameworks and Development Management Mechanisms (Land Use Schemes).

Land Use Management Principles

The White Paper on Spatial Planning and Land Use Management defines land use management to include the following activities / components:

- The regulation of land use changes such as, for example, the rezoning of a property from Residential to Commercial use.
- The regulation of Greenfields land development, i.e. the development of previously undeveloped land.
- The regulation of the subdivision and consolidation of land parcels.
- The regulation of the regularisation and upgrading process of informal settlements, neglected city centres and other areas requiring such processes.
- The facilitation of land development through the more active participation of the Municipality in the land development process, especially through public private partnerships.

SPATIAL PLANNING

Spatial planning aims to positively shape the way any city develops in space into the future. It includes the preparation of plans that will guide the physical development of that particular city (where, what and when).

Spatial plans are used to assess applications submitted by property developers. They also guide changes in land-use rights and guide public investment in infrastructure.

Spatial plans do not give or take away land use rights.

The implementation of these plans relies on partnerships between the private sector, communities and other spheres of government.

A Spatial development framework is therefore a useful and effective tool with which to manage and monitor growth and development in the city and informs investors about what they are 'buying' and where development opportunities exist in the short and longer term.

The Mbhashe SDF was prepared within the context and principles of the:

- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and Regulations (MSA)
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) and Regulations (SPLUMA)

Both the MSA and SPLUMA require Municipal Councils to prepare Spatial Development Frameworks for portions of their jurisdiction.

The Mbhashe SDF was developed in 2022/23 financial year and it has reached its life span of five (5) years. The Municipality has reviewed its SDF on the 2024/25 financial year.

The Municipality has budgeted the reviewal of the SDF on the 2024/25 financial year.

It will offer predictability, as once it has been approved by the full Council and the Provincial Government, it will be the basis on which the officials decide on new development proposals.

The SDF plan is to fulfil the following:

Direct decision-making that may impact on the Municipal area.

Direct development investment to areas that would ensure the most sustainable return of investment.

Guide development in a spatially efficient way, ensuring linkage and alignment to regional and national development policies and programmes.

In response to specific trends and dynamics, direct investment to areas of greatest potential and to target areas of greatest need so as to promote economic growth and alleviate poverty.

Ensure improved linkages within Mbhashe and beyond its boundaries to stimulate effective and sustainable integrated development.

Protect natural systems in Mbhashe.

Human Settlement

Housing section's goal is to establish and maintain adequate shelter and sustainable residential environment and communities of Mbhashe Local Municipality as constitutional requirement and also provide other amenities i.e. access to clean water, sanitation, electricity, roads and other amenities. In terms of sec 26 of the Constitution of the Republic of South Africa, everyone has the right to have access to adequate housing.

According to the Housing Act 107 of 1997 section 8 (1) (f), every municipality must, as part of the municipality's process of IDP, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction.

Functions of the Municipality are the following:

- Identify beneficiaries
- Identification of land (as per Housing Sector Plan in the IDP)
- Prioritise projects

- And any other role determined by the MEC and a Municipality.

STAKEHOLDERS INVOLVED IN HOUSING DEVELOPMENT

- Beneficiaries
- Mbhashe Local Municipality (act as a developer)
- Amathole District Municipality (assisting the MLM in the construction of services)
- Funders (e.g. Provincial Department of Human Settlement, implementation partners, relevant government departments (e.g Dept. of Water Affairs, Strategic partners i.e Teba Development for contract management and Development Bank of South Africa as implementing agent on Rural Housing project in Xhora))
- Professional teams (Town Planners, Engineering Consultants, Land Surveyors, Project Managers)
- Municipal Councillors
- Traditional leaders
- Community Development Workers

DISASTER

During the month of June 2025, heavy rains were reported to have damaged houses at Mbhashe. These varied from roof to side walls with others being destroyed. Assessments conducted revealed that some families were left homeless and destitute.

INTRODUCTION TO SPATIAL PLANNING AND PROPERTY

HOUSING STRATEGY PLANNING: PREPARATION OF MUNICIPAL HOUSING SECTOR PLAN.

CHAPTER 3

The Housing Sector Plan is a 5-year strategic document that introduces several programmes to strengthen the strategic objectives of Sustainable Human Settlements. The existing Housing sector Plan is currently being reviewed considering the changing internal and external circumstances that impact on priority issues, strategies, projects and programmes of the municipality.

Review of the housing sector plan is necessary to identify gaps and challenges and take corrective measures to address the challenges faced in housing delivery. Mbhashe Local Municipality Council adopted the Municipality's Housing Sector Plan in April 2024/25 FY. The plan being reviewed to reflect current and future proposed Human Settlements and enhance integrated effective housing planning and implementation at Provincial and Municipal level to accommodate new paradigm shifts and mandates indicated Nationally as per the new Government regulations (viz. emphasis on rural development, poverty alleviation, massive informal settlements upgrading and other housing related variables dictated by the new planning regime – consolidation of infrastructure and alignment thereof with housing development processes).

The desired outcome of the project is that it would assist to direct future distribution of human settlements projects throughout the municipality for a number of ensuing years and influence future allocation of funds (ie. Reservation of funds over a determined period) for beneficiary housing projects.

In the financial year 2024/2025, Mbhashe LM reviewed its Housing Sector Plan to be in place for the next 5 years.

BUILDING CONTROL

Functions related to building control are :

• Facilitation of Building Plan, Demolition Permit and Outdoor Advertising approval by Local Authority

• Provides inspection support to enforce compliance on all constructed buildings in according with approved legislation.

• Provides inspection support to enforce compliance on Outdoor Advertising.

• Focuses on ensuring systematic and quality buildings are constructed thereby improving the property value of the economic market.

• Undertake routine building control inspections.

PROPERTY MANAGEMENT

Functions related to property management are as follows :

Maintain administrative system for land & property issues (i.e. alienation of land).

Acquisition & / Expropriation of Immovable Property / Transfers

Registration & transfer of Municipal properties,

Renewal of leases and updating of lease register.

Administer Council's Asset Register; Commercial, Residential & vacant land

OUTDOOR ADVERTISING

Outdoor advertising regulation Mbhashe Local Municipality is currently regulating outdoor advertising function and the following progress has been achieved during 2024/2025 Financial year.

Applications for Land Use Development						
Detail	***Formalisation of Townships***		***Rezoning***		***Built Environment***	
	Year 2023/24	**Year 2024/25**	**Year 2023/24**	**Year 2024/25**	**Year 2023/24**	**Year 2024/25**
Planning application received	02	02	06	10	1015	15
Determination made in year of receipt	0	0	0	0		
Determination made in the following year	0	0	0	0		
Applications withdrawn	0	0	0	0		
Applications outstanding at year end	0	0	0	0		

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PROPERTY MANAGEMENT

Functions related to property management are as follows:

Maintain administrative system for land & property issues (i.e. alienation of land). Acquisition & / Expropriation of Immovable Property / Transfers Registration & transfer of Municipal properties, Renewal of leases and updating of lease register. Administer Council's Asset Register; Commercial, Residential & vacant land.

PLANNING POLICY OBJECTIVES TAKEN FROM THE IDP

Service objectives	KPI	2021/22		2022/23		2023/2024		2024/2025	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
To promote agrarian reform and increase food security to emerging famers by June 2027									
By conducting continuous engagements with DRDAR & other relevant stakeholders	Number of programs implemented to assist emerging famers (Crop production inputs 79 projects supported) and Stock remedy from ward	2 programs implemented to assist emerging famers (Crop production inputs 79 projects supported) and Stock remedy from ward	2	2 programs implemented to assist emerging famers (Crop production inputs 79 projec	2	2 programs implemented to assist emerging famers (Crop production inputs 79 projec	2	2 programs implemented to assist emerging famers (Crop production inputs	2

	1-32 supported.	1-32 supported.		ts supported) and Stock remedy from ward 1-32 supported.		ts supported) and Stock remedy from ward 1-32 supported.		79 projects supported) and Stock remedy from ward 1-32 supported.	
To promote agrarian reform and increase food security to emerging famers by June 2027									
By capacitating famers to meet quality and safety requirements through exposure.	Number of agricultural roadshows held for famers in each Dutywa, Gatyana and Xhorha as per the assessment report	16	16	16	16	16	16	10	16
To reduce poverty and unemployment through viable and sustainable job creation strategies by June 2027									

By facilitating short term employment through EPWP project implemnetation	Number of participants on short term employment opportunities (EPWP & CWP)	2000	2000	2000	695	2540	725	627	1484 participants recruited as follows: EPWP- 472 CWP-1012
Unlocking marine and coastal tourism opportunities									
Ocean Economy	Number of ocean marine economic initiatives supported	2	2	2	2	2	2	2	3
To position and promote Mbhashe as a tourist destination of choice by June 2027									
By using different marketing tools to market	Number of events hosted and participated on Ilifa Lo Mbhashe	8	8	4	4	4	4	5	4

Mbhashe as Tourism destination	Signature event, Tenza beach festival, Horse racing, Africas travel Indaba and Makanda Arts Festival								

T3.10.

CHAPTER 3

EMPLOYEES: PLANNING SERVICES					
Job level	YEAR 1	YEAR 0			
	No. of employees	No. of posts	No. of employees	No. of vacancies	Vacancies as a total of vacant posts
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	3	3	3	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
Total	3	3	3	0	0%

T 3.10.4

Financial Performance Year 0: Planning Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**1,024,176.00**	**852,903.00**	**902,903.00**	**730,607.00**	**19%**
Expenditure:					
Employees	36,360.00	196,635.00	196,635.00	95,457.00	51%
Repairs and Maintenance	-	-	-	-	
Other	631,445.00	1,241,907.00	791,000.00	449,835.00	43%
Total Operational Expenditure	**667,805.00**	**1,438,542.00**	**987,635.00**	**545,292.00**	**45%**
Net Operational Expenditure	**356,371.00**	**-585,639.00**	**-84,732.00**	**185,315.00**	**319%**

T 3.10.5

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The unit of Local Economic Development (LED) does not necessarily have capital projects. LED fully supports community driven development projects and initiatives and therefore its budget is spent on supporting projects that cannot be categorized as CAPITAL Projects, as they are community based, largely driven by SMME's and Cooperatives. The community-based projects are supported on the basis that they are key drivers on local economy in terms of employment creation and poverty alleviation opportunities they offer. More importantly, the support of community-based projects in pursuit of constitutional obligation as outlined in terms of Section 152, subsection (1) © of the Constitution of the Republic Act. No. 108 of 1998.

T3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVLOPMENT

Local Economic Development (LED) unit of Mbhashe serves as a nerves centre for socio-economic development, just and inclusive growth. The unit is chiefly responsible for implementation of key and catalytic development projects and interventions for the purpose of addressing and redressing the triple challenges – which are poverty, inequality, and unemployment. Thus, one of the LED strategic pillar programmes is the commitment to support and development, thus contributing to creation of job opportunities for the unemployed. The national government's programme calls for job opportunities, reduce invested in unleashing this potential for Local Economic Development (LED) benefits. LED strategy need to be reviewed as there are new developments for Local Economic development.

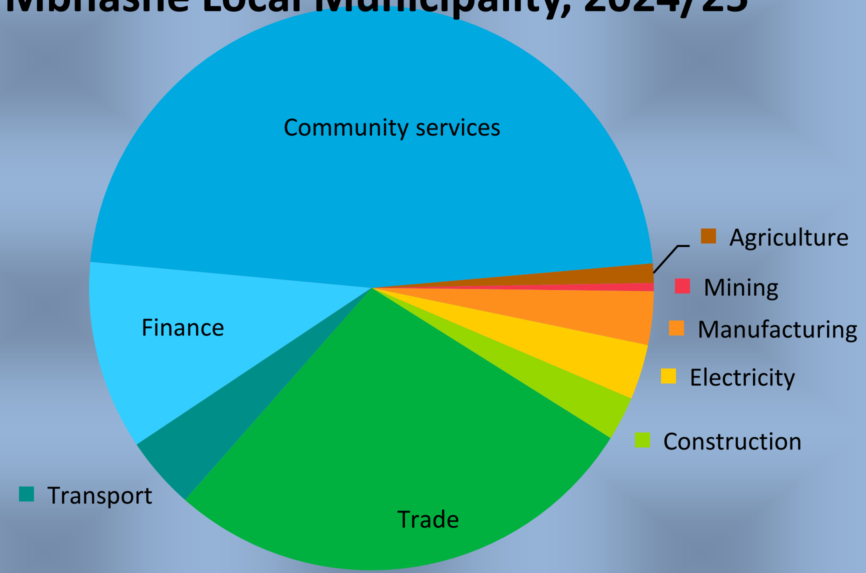
The municipality has reviewed the LED strategy that was adopted by Council for implementation for period of five years from 2023-2027. The municipality has reviewed and adopted the SDF in May 2025 by council.

Chapter 3 of the Mbhashe LM's Integrated Development Plan (IDP) highlights (3) areas of investment opportunities, which are referred strategic thrusts, and these are Agriculture Development, Enterprise Development and Tourism and Heritage Development. These are based on the current economic situation Mbhashe LM finds itself in and is aimed at building on the existing strengths and exploiting the unique opportunities presented by the local economy and the specific physical and demographic environment of the municipality.

While issues such as the development and upgrading of economic infrastructure, improved institutional capacitation and good governance do have a role to play in ensuring that effective economic development does takes place, these matters are considered to be supportive elements that will not, of their own, result in the development of the economic base and have, therefore, not been included in the three main economic areas of focus.

T3.11.1

Gross Value Added (GVA) by broad economic sector
Mbhashe Local Municipality, 2024/25



Source: Spartial Economic Activity Data (2024/25)

	Mbhashe	Amatole	Eastern Cape	National Total	Mbhashe as % of district municipality	Mbhashe as % of province	Mbhashe as % of national
Agriculture	0.4	0.7	6.3	119.6	*6.7%*	*0.80%*	*0.04%*
Mining	0.2	0.0	0.5	371.9	*46.6%*	*4.32%*	*0.01%*
Manufacturing	0.1	2.3	43.5	573.4	*6.1%*	*0.32%*	*0.02%*
Electricity	0.1	1.0	9.1	167.2	*14.8%*	*1.57%*	*0.09%*
Construction	0.1	0.7	10.9	140.2	*15.6%*	*1.05%*	*0.08%*
Trade	1.4	5.6	65.7	655.2	*22.1%*	*1.90%*	*0.19%*
Transport	0.2	1.6	27.0	396.4	*12.0%*	*0.70%*	*0.05%*
Finance	1	4.7	61.8	879.5	*10.5%*	*0.79%*	*0.06%*
Community services	2.1	11.9	111.1	1,125.3	*17.9%*	*1.92%*	*0.19%*
Total Industries	**5.6**	**28.6**	**335.8**	**4,428.7**	***15.8%***	***1.35%***	***0.10%***

Economic Activity by Sector			
			R '000
Sector	**Year -1**	**Year 0**	**Year 1**
Agric, forestry and fishing	2	1.5	1.5
Mining and quarrying	6	5	2
Manufacturing	56	58	63
Wholesale and retail trade	45	51	52
Finance, property, etc.	51	48	52
Govt, community and social services	23	25	25
Infrastructure services	34	38	41
Total	217	226.5	236.5
			T3.11.2

The status quo above remains the same as there is no change

Economic Employment by Sector			
			Jobs
Sector	Year -1 No.	Year 0 No.	Year 1 No.
Agric, forestry and fishing	20,000	25,000	30,000
Mining and quarrying	400,000	435,000	372,000
Manufacturing	320,000	300,000	270,000
Wholesale and retail trade	190,000	200,000	210,000
Finance, property, etc.	275,000	255,000	235,000
Govt, community and social services	300,000	310,000	320,000
Infrastructure services	400,000	430,000	450,000
Total	1905000	1955000	1887000
			T3.11.3

The status quo above remains the same as there is no change

COMMENT ON LOCAL JOB OPPORTUNITIES:

The key Strategic Thrusts as per the Mbhashe LM IDP (2024/25), which form the basis of this strategy are:

Strategic Thrust 1: Agriculture Development.

Strategic Thrust 2: Enterprise Development.

Strategic Thrust 3: Tourism Development.

The municipality has implemented various programmes to advance economic development especially in the Agriculture, Enterprise, and Tourism economic sectors as LED strategy implementation mechanism.

Agriculture Development:

Performance Overview on Key Strategy Drivers:

CHAPTER 3

The Municipality on its Local Economic Development Unit is entrusted in driving agricultural programmes within the Municipal area. This focus of the unit is to ensure that agricultural development is carried out effectively in all 32 wards within Mbhashe Municipality. The wards comprise of both the community based projects and LED projects that are vehicle to drive development and improve the socio economy of people.

The Municipality identified High Value Crop as the biggest contributor to the agricultural industry. The reviewed LED strategy of 2024/25 is focusing more on creating an enabling conducive environment through developing programmes to support viable and bankable project in order to create economic opportunities that will intern contribute to local economy. This is in line with the national, provincial economic development plan that identifies Agriculture, Enterprise Development as the key economic sector for growth and sustainable jobs.

Renovation and maintenance of LED Agricultural infrastructure projects (Cattle dip tank and Shearing sheds

• **Agricultural Infrastructure Assessment:** LED agricultural infrastructure was conducted on ward 2-32 to check the status of the LED agricultural infrastructure (dipping tanks, shearing sheds and cropping fields). Ensure that the design and implementation of any intervention talks to the society of the community, Ensure community engagement and acceptance towards the planned program of work, Decide on what to measure in order to determine impact. The assessment will assist on what has been done on the ground taking into account the condition of structures and the period of existence of such structures. The number of structure in the ward is also vital to avoid duplication of or benefit of the same ward at the expense of other wards. The assessment that was conducted reveals that almost all existing structures on ground need to be repaired and renovated as Cattle and Sheep Dip tanks and shearing sheds contribute the highest agricultural structures that need attention mainly because they are incomplete and on poor conditions.

LED agricultural infrastructure projects were repaired and maintained during 2024/25 financial year at ward 2- Good Hope Shearing Shed ,Ward 3 -Gwadana Cattle Dip,Ward 4 - Gxarha Cattle Dip,Ward 5 - Bolothwa Shearing Shed,Ward 6 -Sihlabeni Shearing Shed, Ward 7 - Old Idutywa Cattle Dip, Ward 11 - Nkonkwana Cattle Dip, Ward 13 - Riverview Cattle Dip Tank, Ward 14 - Mndundu & Ward 15 - Mpiyose Cattle Dipping tanks and shearing sheds. The office conducted monitoring of LED agricultural infrastructure projects which were repaired and maintained during 2024/25 FY.

CHALLENGES ENCOUNTERED DURING THE MONITORING OF THE LED AGRICULTURAL INFRASTRUCTURE PROJECTS

- Lack of knowledge on wool classification and wool sorting by the wool producing farmers.

- Lack of entrepreneurial mindset from farmers as they operate in a subsistence manner and there is lack of appetite to be commercialize towards secondary production.
- Inadequate in the management of livestock.
- Access to right markets livestock farmers.

REMEDIAL ACTION FOR THE IDENTIFIED CHALLENGES DURING THE MONITORING

- To organise more rigorous trainings on wool production for communal farmers.
- To facilitate access to relevant markets so that local producers will have more place to sell their produce.
- To work with private sector and non- governmental sector through corporate social investment (CSI) initiatives to assist with provision of Economic infrastructure such as dipping tanks and shearing sheds for communal farmers.

CHALLENGES ENCOUNTERED DURING THE MONITORING OF THE SHEARING SHED

Lack of knowledge on wool classification and wool sorting by the wool producing farmers.

Lack of entrepreneurial mindset from farmers as they operate in a subsistence manner and there is lack of appetite to be commercialize towards secondary production.

Inadequate in the management of livestock.

Access to right markets livestock farmers.

R**EMEDIAL ACTION FOR THE IDENTIFIED CHALLENGES DURING THE MONITORING**

To organize more rigorous trainings on wool production for communal farmers.

To facilitate access to relevant markets so that local producers will have more place to sell their produce.

CHAPTER 3

To work with private sector and non- governmental sector through corporate social investment (CSI) initiatives to assist with provision of Economic infrastructure such as dipping tanks and shearing sheds for communal farmers.

FARMER INFORMATION DAYS

During the 2024/25 financial year, Agricultural roadshows were conducted.

Information roadshows take various forms i.e. Animal health sessions (nutrition, diseases, treatment and pregnancies, trials (post mortem, cropping trials and artificial insemination), fruit production, agricultural expo, and wool management, as well as workshops on various items such as poultry farming, wool sorting, Vegetable production, marketing strategies and business plans.

There were 16 Agricultural roadshows that were conducted by the (LED Agricultural office) partnered with the DADAR in 2024/2025 as per consultative meetings which were held in 2024/25 financial year. All The Agricultural roadshows were conducted successfully for equipping emerging farmers with the latest agricultural practices.

CHALLENGES EXPERIENCED BY EMERGING FARMERS

The emerging farmers from Mbhashe are largely confronted by the following generic challenges:

Lack of access to developmental information
Lack of access to market and Lack of access to development finance
Poor and inadequate economic infrastructure
Lack of management and financial skills and Insecure land rights

During 2024/25 financial year, activities done to support small and large livestock in rural area for improving livestock production:

Mbhashe contains arguably the richest land for livestock in the Amathole district. About 250 000 sheep are recorded in Mbhashe. (Source: Stats-SA - Livestock survey; 2015). Public-private partnerships and improved farming methods can expand commercial livestock farming in the Mbhashe areas. Wool growing is the primary source of income for the local communal farmers in the area. The eastern cape province accounts for 35% of the SA total production of 45,8 million kilogrammes. The main objectives of stocky remedy are too:

Treat and cure unhealthy conditions and to increase fertility of small and large livestock.
To treat internal (tapeworm, fluke, and round worms) and external parasites (ticks, lice, and scab in sheep).
To prevent the spread of pests from one another and to condition wool growth in sheep.

MBHASHE MAIZE PRODUCTION SUPPORT PROGRAMME

Mbhashe Local Municipality has outlined Agricultural Development as a priority area for Local Economic Development (LED). The objective in this regard is to ensure that the support and development of emerging farmers within the municipality is enhanced. The subsistence agricultural sector is the biggest contributing sector in the economy of Mbhashe as Many households use agriculture for subsistence and they heavily rely on it for food. Maize is the mostly utilized crop/grain in the Mbhashe area mainly because many of the households consume it as their staple food. The Municipality supported Mbhashe emerging famers with Maize seeds for Maize production on 2024/25 FY.

The Municipality contains arguably the richest land for livestock in the Amathole district. About 250 000 sheep are recorded in Mbhashe. (Source: Stats-SA - Livestock survey; 2015). Public-private partnerships and improved farming methods can expand commercial livestock farming in the Mbhashe areas. Wool growing is the primary source of income for the local communal farmers in the area. The eastern cape province accounts for 35% of the SA total production of 45,8 million kilogrammes.

The aim of the program
To make full use of the under-utilized arable land into a large scale of production within Mbhashe region.
To promote the growth of smallholder and emerging farmers and to assist rural farmers with tested cultivars produced to withstand existing climatic conditions in Mbhashe within its 3 units namely: Dutywa, willowvale, and Elliotdale.
Treat and cure unhealthy conditions and to increase fertility of small and large livestock.

To treat internal (tapeworm, fluke, and round worms) and external parasites (ticks, lice, and scab in sheep).

To prevent the spread of pests from one another and to condition wool growth in sheep.

The support of the Maize seeds provided to the emerging farmers that met the following requirements:

Addressing the triple challenges of poverty, Inequality and Unemployment as well as positive contribute to food security, Job creation through temporal employment, Self-sustainability, and skills development.
Producing good quality maize product in a large scale for boosting the local Economy.

CHAPTER 3

Support was granted for expansion of existing Agricultural development project.

Maize project that improve food security.

Municipality provided support with Maize seeds for 2024/25 financial year as follows: 67 Dutywa projects, 24 Gatyana projects and 14 Xhorha projects as per the assessment that was conducted during the first quarter by LED standing committee assisted by Department of Rural Development & Agrarian Reform. The maize seeds amounted to **R2 746 568.00** for supply and delivery of maize seeds for 2024/25 FY.

Challenges

Farmers planted late due to the heavy rains.

Inclement weather conditions

Too expensive of production inputs like fertilizers and chemicals.

Shortage of maize seeds to cover the hectarage needed to be planted by the farmers and stock remedy to cover all wards.

Remedial action

To develop a plan for the distribution of stock remedy at ward level.

Organize capacity building on Crop production and Agro processing.

To conduct study tour with the livestock farmers maize farmers to bench mark the best agricultural practices for maize processing.

OUTPUTS

By implementing this project, project members and the community at large benefited through temporal employment, self-sustainability, and skills development.

Farmers produced good quality maize in a large scale and sell the product to the markets.

Maize production improves food security in Mbhashe area.

Enterprise Development:

Performance Overview on Key Strategy Drivers

SMMEs assistance and Co-operative support:

Mbhashe Local Municipality supported 105 Mbhashe SMMEs and Cooperatives with equipment/tools of trade, through SMMEs and Cooperatives Support and Development Programme. The SMME's were supported in collaboration with various stakeholders on economic cluster such as DEDEAT, ECDC, SEFA, Department of Small Business Development, ASPIRE Development Agency

Informal trader support:

Mbhashe Local Municipality in partnership with the **Department of Small Business Development** supported 68 Informal Traders with R10 000 each through Informal and Micro Enterprise Development Programme.

Mbhashe Local Municipality supported 78 Mbhashe Hawkers from all three units with Vouchers amounting to 5 000 each, through Informal Trader Support and Development Programme.

SMME Roadshows

3 roadshows conducted for SMME's as per approved concept plan in Dutywa-1, Xhorha-1 & Gatyana-1:

Incubation programmes:

Mbhashe Local Municipality issued an advert for two Incubation programmes to develop and promote local SMMEs which are:

1. Construction and Maintenance Incubation- 29 SMMEs appointed.

2. Supply and Delivery Incubation - 13 SMMEs appointed.

-The amount that was budgeted for SMMEs during 2024/25 FY = **R45 489 649.16** which is 30% of the actual budget.

-The amount spent to SMMEs during 2024/25 FY = **R172 860 667.00**

Therefore, the actual percentage = **114%** due to the above- mentioned incubation programmes that are there to develop and promote local SMMEs.

Tourism Development:

Performance Overview on Key Strategy Drivers

As part of providing support to Marine Economic Initiatives to Fishing Projects by means of giving them a fishing equipment in order to perform the Marine activities and the fishing projects that were assistance were (Lurhwayizo Ward 21, Mpame/Dwesa Ward 29 and in Ward 32).

There were 2 Internal Events that were held as part of promoting and marketing of Mbhashe and boasting the local economy (namely Ilifa lo Mbhashe & Horse Racing Event) and there were 2 External events participated on (namely Travel Indaba and Makhanda National Arts Festival)

Heritage tourism: LED has been providing hand on approach by ensuring preservation of heritage sites/ resources at Mbhashe Municipality which are then made available as tourist products for consumption and research. Furthermore, 3 heritage properties have been maintained (Fort Marlan Memorial, King Hintsa s' Grave and King Sarhili s' Grave.

Lifeguards Support

Seasonal Lifeguards were assisted with training and equipment to provide safety to Mbhashe Beaches during pick seasons (December and April). They were provided a 2-days practical training and physical assessment on the beach to see the capacity. 30

seasonal Lifeguards were employed and assigned to all the 10 beaches of Mbhashe during peak seasons which is festive season and easter season.

As part of implementing the project of Battle of Lurhwayizo, heritage development project, the municipality supported the Battle of Lurhwayizo development initiative (BOLD) with funding for commemorative event. Also, forged partnership with DSRAC to support the project with theatre production and it was stage at Makhanda Arts festival.

T3.11.4

LED JOB CREATION for 2024/25 FY

NAME OF PROJCTECT	WARD/TOWN	NO. JOBS CREATED	SHORT/LONG
Tourism development			
Seasonal Lifeguards were employed during peak seasons (30 in Festive season and 30 during Easter Holidays)	Xhorha and Gatyana	30 casual workers	Short term
Infrastructure department			
Bolishi to Nqabarha access road, Mgxabakazi access road, Siyibane access road , Ntlonyane bridge	Dutywa and Xhorha Gatyana	39 casual workers	Short term
Community services			

Mbhashe long/short term opportunities	Idutywa Elliotdale Willowvale	1484 short term	1484 short term
Total job opportunities for short term		**1553 casual workers**	

T3.11.4

The targets set out in the IDP schedule can be attained and achieved with approved budget provision. LED does not have capital projects as projects its support are community-based and therefore the issue of variances from budgeting for net operating and capital expenditure does not necessarily affect the unit.

JOB CREATION THROUGH EPWP PROJECTS		
Details	**EPWP Projects**	**Number of jobs created through EPWP projects**
FY 2024/25	**Recycling**	**120**
	Street Cleaning	**54**
	Data Capturer	**6**

	Libraries	**4**
	Parks,cemetries gardens and Beautification	12
	Peace officers	08
	Tea makers	04
	TOTAL	**208**

EPWP BUSINESS PLAN FOR 2024/2025_COMM SERV

PROJECTS	2023/2024	2024/2025	RATE	DAYS	Duration	Amount
DUTYWA						
INFRASTRUCTURE						
Surface Road maintanance	5	5	130	22	12	**R 171 600.00**
TRAFFIC SERVICES						
Filling Clerks	0	4	230	22	12	**R 242 880.00**
traffic trainees	4	4	230	22	12	**R 242 880.00**
Waste & Environment Services						
Data Capturers	5	4	230	22	12	**242 880.00**
Street cleaning	20	15	130	22	12	**R 446 160.00**
Grass cutting and beautification	4	3	130	22	12	**R 102 960.00**
LIBRARY						
Security	1	1	230	22	12	**R60 720.00**
Library Assistants	3	3	130	22	12	**R 102 960.00**
Free Basic Services						
Indigent Registration Assistant	1	1	230	22	12	**R60 720.00**
Free Basic Services (waste collection)	21	4	130	22	12	**R137 280.00**
CORPORATE SERVICES						
Auxiliary Services	6	6	130	22	12	**R 205 920.00**
LOCAL ECONOMIC DEVELOPMENT						

Heritage Sites	5	2	130	22	12	**R68 640.00**
TOTAL NUMBER OF PARTICIPANTS		**52**				
WILLOWVALE						
INFRASTRUCTURE						
Surface Road maintenance	5	5	130	22	12	**R 171 600.00**
Traffic Services						
Traffic trainees	2	2	230	22	12	**R121 440.00**
LAW ENFORCEMENT						
Peace Officers	0	4	230	22	12	**R 242 880.00**
Waste & Environment Services						
Data Capturers	1	1	230	22	12	**R 60 720.00**
Street cleaning	17	15	130	22	12	**R411840.00**
Grass cutting and beautification	3	3	130	22	12	**R102960.00**
LIBRARY						
Security	1	1	230	22	12	**R 60720.00**
Library Assistants	2	2	130	22	12	**R 68 640.00**
LOCAL ECONOMIC DEVELOPMENT						
Life Savers	0	7	130	22	12	**R 240 240.00**
Heritage Sites	5	2	130	22	12	**R 68 640.00**
FREE BASIC SERVICES						
Indigent Registration Assistant	1	1	230	22	12	**R 60 720.00**
Free Basic Services (waste collection)	21	2	130	22	12	**R 68 640.00**
TOTAL NUMBER OF PARTICIPANTS		**45**				
ELLIOTDALE						
INFRASTRUCTURE						
Road maintenance	5	5	130	22	12	**R 171 600.00**
Traffic Services						
Traffic Trainees	2	2	230	22	12	**R121 400.00**
LAW ENFORCEMENT						
Peace Officers	0	3	230	22	12	**R 182 160.00**

Waste & Environment Services						
Data Capturers	1	1	230	22	12	**R 60 720.00**
Street cleaning	17	15	130	22	12	**R 617 760.00**
Grass cutting and beautification	3	3	130	22	12	**R102 960.00**
Free Basic Services						
Indigent Registration Assistant	1	1	230	22	12	**R 60 720.00**
Free Basic Services (waste collection)		2	130	22	12	**R 68 640.00**
LIBRARIES						
Security	1	1	230	22	12	**R60 720.00**
Library Assistants	2	2	130	22	12	**R68 640.00**
LOCAL ECONOMIC DEVELOPMENT						
Maintenance of Heritage Sites	5	2	130	22	12	**R 68 640.00**
Life Savers	0	7	130	22	12	**R240 240.00**
TOTAL NUMBER OF PARTICIPANTS		**44**				

Recycling Incentive Project for Waste Collectors

Waste and Recycling	0	**120**	130	8	12	R 1 497 600.00
TOTAL		**261**				R 7 045 640.00

T3.11.5

CHAPTER 3

Local Economic Policy objectives taken from IDP 2019/20											
Service objectives	**KPI**	**2019/20**		**2020/21**		**2021/22**		**2022/23**		**2023/2024**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
To promote agrarian reform and increase food security to emerging famers by June 2027											**To promote agrarian reform ar famers by June 2027**
By conducting continuous engagements with DRDAR & other relevant stakeholders	Number of programs implemented to assist emerging famers (Crop production inputs 79 projects supported) and Stock remedy from ward 1-32 supported.										
By capacitating famers to meet quality and safety requirements through exposure.	Number of agricultural roadshows held for famers in each Dutywa, Gatyana and Xhorha as per the										

	assessment report										
By facilitating short term employment through EPWP project implemnetation	Number of participants on short term employment opportunities (EPWP & CWP)										
By using different marketing tools to market Mbhashe as Tourism destination	Number of events hosted and participated on Ilifa Lo Mbhashe Signature event, Tenza beach festival, Horse racing, Africas travel Indaba and Makanda										

	Arts Festival										
										To promote agrarian reform and increase food security to emerging famers by June 2027	
By conducting continuous engagements with DRDAR & other relevant stakeholders	Number of programs implemented to assist emerging famers (Crop production inputs 79 projects supported) and Stock remedy from ward 1-32 supported.										

To promote agrarian reform and increase food security to emerging famers by June 2027											
By capacitating famers to meet quality and safety requirements through exposure.										Number of agricultural roadshows held for famers in each Dutywa, Gatyana and Xhorha as per the assessment report	

T3.11.7

ECONOMIC ACTIVITY BY SECTOR COMMENT ON LOCAL JOB OPPORTUNITIES EMPLOYEES: Local Economic Development Services					
Job level	**2022/23**	**2023/24**			
	No. of employees	**No. of posts**	**No. of employees**	**Vacancies**	**Vacancies (as a % of total posts)**
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	3	3	3	0	0%
13 – 15	0	0	0	0	0%
16 – 18	1	1	1	0	0%
19 – 20	0	0	0	0	0%
20-59	0	0	0	0	0%
Total	4	4	4	0	0%

T3.11.8

The unit of Local Economic Development (LED) does not necessarily have capital projects. LED fully supports community driven development projects and initiatives and therefore its budget is spent on supporting projects that cannot be categorized as CAPITAL Projects, as they are community based, largely driven by SMME's and Cooperatives. The community-based projects are supported on the basis that they are key drivers on local economy in terms of employment creation and poverty alleviation opportunities they offer. More importantly, the support of community-based projects in pursuit of constitutional obligation as outlined in terms of Section 152, subsection (1) © of the Constitution of the Republic Act. No. 108 of 1998.

Financial Performance Year 0: Local Economic Development Services R'000					
Details	**Year -1**	**Year 0**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Total Operational Revenue	**-**	**-**	**-**	**-**	**-**
Expenditure:					
Employees	2,347,181	2,967,719	2,967,719	904,773	31%
Repairs and Maintenance	-				
Other	13 252 614	11,666,450	11,666,450	8,996,870	78%
Total Operational Expenditure	**15,599,795**	**14,634,169**	**14,634,169**	**9,901,643**	**68%**
Net Operational Expenditure	**(15,599,795)**	**(14,634,169)**	**(14,634,169)**	**(9,901,643)**	**(68%)**

T3.11.9

The unit of Local Economic Development (LED) does not necessarily have capital projects. LED fully supports community driven development projects and initiatives and therefore its budget is spent on supporting projects that cannot be categorized as CAPITAL Projects, as they are community based, largely driven by SMME's and Cooperatives. The community-based projects are supported on the basis that they are key drivers on local economy in terms of employment creation and poverty alleviation opportunities they offer. More importantly, the support of community-based projects in pursuit of constitutional obligation as outlined in terms of Section 152, subsection (1) © of the Constitution of the Republic Act. No. 108 of 1998.

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

LED does not have capital projects. However, the unit is responsible for implementation and support of community-driven development initiatives, in a form of various projects such as ploughing of sorghum, repairs and maintenance of LED infrastructure such as dipping tanks, shearing shed. Thus, the unit doe does not have any capital projects except those that are mentioned here, which are community-driven initiative hence no variations from budget.

T3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; community halls & cemeteries.

Introduction to Community & Social Services

This component includes libraries, archives, community halls & cemeteries.

Mbhashe has a competence for amenities and community facilities like halls, pounds, cemeteries, sports fields, ablution facilities, beaches, Early Childhood Development Centers, parks & public places, and municipal offices.

The municipality continues in constructing multi-purpose community halls in many of its wards to aid communities with proper spaces for their meetings and functions. These facilities are constructed using Municipal Infrastructure Grant (MIG), when the halls are completed, they are owned, operated and maintained by the municipality. The key challenge so far has been the lack of adequate funds to constantly maintain and offer security services to our facilities. It is proposed that once completed (renovation and construction), Community halls are under the care of communities that have halls.

Cemeteries: Cemeteries are a core competence of Mbhashe municipality, and its role is largely to plan and ensure provision of land for burial as well as support with such services as registrations and mobilization of resources for fencing of facilities. Lack of funds is often cited as a reason why there is poor maintenance of cemeteries across all wards. Cemeteries are currently categorized into urban and rural (communal and private).

Beaches: Mbhashe is well endowed with a beautiful and wild coastline that covers certain parts of Gatyana and Xhorha. These pilot sites of the coastline are used by the public for leisure, especially during Easter and summer holidays. There are leisure facilities in the form of public toilets, signage, braai areas and others that needs to be managed and maintained from time to time. Mbhashe, through the EPWP programme and assistance from Department Of Forestry Fisheries & Environment programmes further provides personnel to continuously clean the coastline as well as the lifeguards throughout the year.

T3.52

3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Libraries: The Department of Sports, Recreation, Arts and Culture (DSRAC) has since entered into a memorandum of agreement with local municipalities, including Mbhashe to manage and administer the library facilities. Currently the Municipality has eight (09) fully operational libraries that are within Mbhashe Jurisdiction area namely: Dutywa, Gatyana, Xhorha, Bolothwa, KwaNomaka Mbeki, kwaNtshunqe, Lower Mbangcolo and Nqabara Libraries.

DSRAC has committed an amount of R1.400 000.00 for the running of libraries in the current year in order to give effective and efficient library services to the communities, we are hoping that DSRAC can increase the budget so that it can cover all the expenditure in relation to libraries.

T3.12.1

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

The Local Municipality has none of these facilities managed within its jurisdiction. Information libraries is with DASRAC as the driver of the facility.

T3.12.2.

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*									T3.52.3

There are no policy objectives for Libraries

T3.12.3

Employees

EMPLOYEES; Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalent)	Vacancies as a total of vacant posts
0 – 3	15	1	10	0	0
4 – 6	5	3	3	0	0
7 – 9	3	1	3	0	0
10 – 12	0	0	0	0	0
13 – 15	0	0	0	0	0
16 – 18	0	0	0	0	0
Total	23	5	16	0	0

T3.12.4

There are no employees employed by the municipality, they are paid by DSRAC

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**4,285,497.91**	**4,867,644.00**	**6,017,644.00**	**5,676,242.00**	**6%**
Expenditure:					
Employees	11,159,938.95	14,161,945.00	14,161,945.00	14,132,524.00	0%
Repairs and Maintenance	4,570,232.24	4,353,947.00	5,403,946.00	4,486,295.00	17%
Other	10,516,939.36	10,340,075.00	11,373,875.00	10,584,266.00	7%
Total Operational Expenditure	**26,247,110.55**	**28,855,967.00**	**30,939,766.00**	**29,203,085.00**	**6%**
Net Operational Expenditure	**-21,961,612.64**	**-23,988,323.00**	**-24,922,122.00**	**-23,526,843.00**	**6%**

T3.12.5

Capital Expenditure Year 1: Libraries; Archives; Museums; Galleries; Community Facilities; Other R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.52.6

There are no capital projects implemented for libraries

T3.12.6

CHAPTER 3

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

The municipality is only providing library services. There were no capital projects that were implemented in 2024/25. Only overhead costs were utilised for stationery and conducting awareness's.

T3.12.7

3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

The routine maintenance in the form of grass cutting and clearing of the overgrown vegetation in cemeteries on a monthly basis.

T3.13.1

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

The services are being done through EPWP and there are no permanent employees.

T3.13.2

EMPLOYEES; Cemetories and Cremotoriums					
Job level	YEAR 0	YEAR 1			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalent)	Vacancies as a total of vacant posts
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
Total	0	0	0	0	0

T3.55.4

There are no employed for Cemeteries.

Financial Performance Year 1: Cemetories and Crematoriums					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.55.5

Capital Expenditure Year 1: Cemetories and Crematoriums					
					R' 000
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.55.6

There are no capital projects

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

T3.13.7

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

This function is not under the functions of the municipality

T3.14.1

SERVICE STATISTICS FOR CHILD CARE

N/A

T3.14.2

CHAPTER 3

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes pollution control; biodiversity and landscape; and coastal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The municipality has committed itself in the protection of the environment through the implementing service delivery in a sustainable manner for the coming generations of Mbhashe to benefit from the municipality's endemic natural resources.

Environmental Management Act (**Act** 107 of 1998), which stipulates that everyone has the right:

to an environment that is not harmful to their health or well-being; and

to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that

prevent pollution and ecological degradation;

promote conservation; and

Secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

The Environmental management function is coordinated and implemented under community services department. The purpose of this function is to oversee that Environmental Protection is practiced and Environmental Compliance is adhered to. This assist in equipping the municipality in promoting sustainability in all its practices.

Vegetation of any region is determined by the two factors; climate and soil types. Generally, Mbhashe is dominated by the grassland biome inland, but also has biome types like the Transkei coastal belt grasslands, scarp forest along the coast and the Indian Ocean coastal belt, which forms part of the Maputo-Pondoland Albany Hotspot (MPAH). The hotspot is the remarkable meeting point of six major vegetation types with unique species and ecosystems. The biodiversity of Mbhashe shows that most of the natural and near-natural landscapes are located along the coast and adjacent interior. The more degraded areas are found in the northwestern portion of Mbhashe with too much disturbance caused by overgrazing and burning of grasslands on the biodiversity occurring on that particular area. The decreased spatial extent of the Grassland Biome is also likely to be reduced due to the invasion of alien trees, bush encroachment and woody species. This would ultimately lead to a shift towards Savanna type characteristics.

Currently Mbhashe hosts, the beauty of two joint Protected Areas declared as Nature Reserves and Marine under the protected areas Act. The Dwesa- Cwebe Nature Reserves encompasses pristine biodiversity of the coastal flora and fauna.

Mbhashe also has a strong potential of an area known to be a habitat to the Threatened Cape Vulture (*Gyps coprotheres*). The area of Sundwana (Collywobbles) is an ancestral vulture colony occurring along the cliffs of the complex gorge formed by the meandering Mbhashe River. This Vulture is endemic to South Africa.
T3.14.

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

As required by the National Environmental Management Act, all municiplaities are expected to develop the Air Quality Management Plan as a measure towards pollution Control. Mbhase has succesfully developed the plan. However, the municiplity does not have much pollution as it a space that does not trigger much emmisions.

The Mbhashe Local Municipality have not developed Air Quality related by-laws, however the municipality relies on the adopted Amathole District Municipality Air Pollution Control By-Law which addresses air pollution and the control thereof under Chapter 9. This by-law defines ‘air pollution’ as “any change in the composition of the air caused by smoke, soot, dust (including fly ash), cinders, solid particles of any kind, gases, fumes, aerosols and odorous substances.” This by-law is enforceable by the ADM for all areas within their jurisdiction.

T3.15.1

SERVICE STATISTICS FOR POLLUTION CONTROL

None.

T3.15.2

EMPLOYEES: POLLUTION EMPLOYEES					
Job level	**2023/24**	**2024/25**			
	No. of employees	**No. of posts**	**No. of employees**	**No. of vacancies**	**Vacancies as a total of vacant posts**
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
Total	0	0	0	0	0%

T3.15.4

There are no employees for pollution control as it is not the municipalities' function.

Financial Performance Year 1: Pollution Control					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.59.5

T 3.15.5

Capital Expenditure Year 1: Pollution Control					
					R' 000
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.59.6

There are no capital projects T3.15.6

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

There are no capital projects prioritized for Pollution Control within the municipality and, therefore, no budgeted expenditure. The projects and expenditure falls within the operational focus of the Solid Waste division in Community Services. The Environmental Management Department participates in an Authorities Forum coordinated by DEDEAT to address pollution issues in the Mbhashe Area. The key focus of the department is to assist in reducing the chemical and organic pollutants entering the air space through the restoration of eco systems.

T3.15.7

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The region has a fragmented topography and comprises of undulating landscapes towards the coast and flat grasslands inland. The coastal terrain is therefore mountainous with steep valleys, whereas in land the flat grasslands suffer from drought and eroded lands. The diversity of topography does however create many different opportunities for a great diversity of ecosystems and their inhabitant plant and animal species. The topography, however, also poses a multitude of challenges to development as accessibility is limited and settlement has taken place in a dispersed and haphazard manner.

There is great variety in the geology of the region as different portions of sedimentary and igneous layers are exposed during the transition from the high-altitude Mountains in the North- Eastern side to the coast in the east.

The area around Idutywa is largely underlain by Mesozoic sediments of the Karoo Supergroup. Soils are mostly red-yellow apedal freely drained soils and are vulnerable to erosion as they originate from their easily weathered parent material on the north western part of Mbhashe. Coastally, the soils are rich for agricultural activities which prove high soil fertility and rich in nutrients which is influenced by the coastal climate.

T3.16.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE
none
T3.16.2

EMPLOYEES: BIO-DIVERSITY; LANDSCAPE AND OTHER					
Job level	2023/24	2024/25			
	No. of employees	No. of posts	No. of employees	No. of vacancies	Vacancies as a total of vacant posts
0 – 3	0	1	4	1	25%
4 – 6	0	1	2	0	0%
7 – 9	0	0	0	0	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
Total	0	2	6	1	25%

T3.16.4

Financial Performance Year 0: Environmental Management R'000		
Details	Year -1	Year 0

	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	
Expenditure:					
Employees	330,964	473,494	473,494	416,250	88%
Repairs and Maintenance					
Other	666,847	2,250,962	2,250,962	1,517,527	68%
Total Operational Expenditure	997,811	2,724,456	2,724,456	1,933,777	71%
Net Operational Expenditure	(997,811)	(2,724,456)	(2,724,456)	(1,933,777)	(71%)

T3.16.5

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

Other (Disaster Management, Animal Licencing and Control, Control of Public Nuisances and Other)

Invasive plant control continues through the EPWP programme with teams focusing on waterways, wetlands and municipal owned land with dense stands of invasive plants.. Accredited skills training and capacity building continued throughout the year to ensure that participants on short term contracts of one year and a certificate to obtain are able to enter the open market at the end of their contracts.

T3.16.7

COMPONENT F: HEALTH

This component is provided by Department of Health.

3.17 CLINICS

This component is provided by Department of Health.

3.18 AMBULANCE SERVICES

The component is provided by Department of Health

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

The component is provided by Department of Health.

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

The Law Enforcement section was established in 2016 with the purpose of enforcing the municipal by laws in all units of Mbhashe, the section is now fully functional. Our Law enforcement officers deal with the enforcement of By-laws, Criminal offences under criminal procedure act (Act 57/1977) and Traffic officers deal with the enforcement of National road traffic act (Act 93/1996 . There is also licensing section that deals with all the licensing activities in the institution.

T3.20

3.20 POLICE

CHAPTER 3

This component is provided by Department of South African Police Services.

3.21 FIRE

This component is provided by Amathole District Municipal Fire Services.

3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

This Disaster Management is performed in accordance with the legislative requirements in the Disaster Management Act**.** In terms of Section 46 of Disaster Management Act, the municipality co-ordinates its activities with those of the – National Disaster Management Centre;

The Eastern Cape Provincial Disaster Management Centre; and

Amathole District Municipality's Disaster Management Centre

The Mbhashe Local Municipality adopted the Integrated Disaster Management Policy.Mbhase Local Municipality forms part of Disaster Management Advisory Forum of the District Municipality Amathole, meetings takes place at least once a quarter or as and when required. Mbhashe forms part of quarterly sittings of this forum. Mbhashe is yet to establish its own Disaster Advisory Forum and level one Disaster Management Plan.

The following risks are identified as priority risks at Mbhashe that will be addressed by risk reduction and preparedness planning as contained in the plan.

Mbhashe Local Municipality uses the services of the Amathole District Municipality in the fire services; this is in terms of the assigned powers by the MEC for Local Government.

T3.22.1

National Disaster Management Centre;

The Eastern Cape Provincial Disaster Management Centre; and

Amathole District Municipality's Disaster Management Centre

The municipality continuously develops disaster contigs plan

The Disaster Management Plan of the Local Municipality reflects:

Compliance with the provisions of the Disaster Management Act.
Alignment and integration with the current Integrated Development Plan (IDP).
Assessment of risk and vulnerability of its communities and anticipate and prioritize disasters that are likely to occur in the municipality.
Place emphasis on measures that reduce risk and vulnerability of disaster-prone areas, communities and households.

CHAPTER 3

Identify areas, communities and households that are vulnerable and at risk.

Respect and use the indigenous knowledge relating to disaster management.

Promote disaster management research.

Identify and address the weakness in capacity of the municipality to deal with possible disasters.

Facilitate maximum emergency preparedness

The following risks are identified as priority risks at Mbhashe that will be addressed by risk reduction and preparedness planning as contained in the plan.

Mbhashe Local Municipality uses the services of the Amathole District Municipality in the fire services and disaster assessment; this is in terms of the assigned powers by the MEC for Local Government .

Due to heavy rains our roads infrastructure were heavily affected.

T3.22.1

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC
T3.22.2

EMPLOYEES: DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC		
Job level	**2023/24**	**2024/25**

	No. of employees	No. of posts	No. of employees	No. of vacancies	Vacancies as a total of vacant posts
0 – 3	0	1	10	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
Total	0	1	10	0	0%

there are no employees under disaster

T3.22.4

Financial Performance Year 1: Disater Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.67.5

T3.22.5

Capital Expenditure Year 1: Disater Management, Animal Licencing and Control, Control of Public Nuisances, Etc R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.67.6

T3.22.6

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

T3.22.7

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites

INTRODUCTION TO SPORT AND RECREATION
The following constructed sport fields are ward 13 phase 1, ward 25. Ward 1 is still in the progress
T3.23.

3.23 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION
N/A
T3.23

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

Corporate policy is the guide post to decision making. It helps in the managerial thinking process and thus leads to the efficient and effective attainment of the objectives of any organization.

T3.24

3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

The municipality has the political stability which enables Council to oversight through its section 79 and 80 committees. The Mbhashe municipality has two management teams a political and an administrative team. The political leadership is made up of Councillors and Traditional Leaders. The political leadership makes strategic and policy decisions. The administration is healed by the Municipal Manager assisted by senior manager in ensuring that the decisions taken by the council are implemented

T3.24 .1

The Executive and Council Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**Year -1**		Year 0			Year 1
		Target	**Actual**	Target		Actual	Target
Service Indicators		***Previous Year**		*Previous Year	*Current Year		*Current Year
(i)	**(ii)**	**(iii)**	**(iv)**	(v)	(vi)	(vii)	(viii)
To ensure clean and accountable governance in the municipality by 2027							

	Number of meetings held by council structures in 2024/25	51 meetings held by council structures in 2019/20	51 meetings held by council structures in 2020/21	51 meetings held by council structures 2021/22	51 meetings held by council structures in 2022/23	63 meetings held by council structures in 2023/24	66 meetings held by council structures in 2024/25

T3.24.3

EMPLOYEES: MUNICIPAL MANAGERS OFFICE					
Job level	**2023/24**	**2024/25**			
	No. of employees	**No. of posts**	**No. of employees**	**No. of vacancies**	**Vacancies as a total of vacant posts**
0 – 3	0	0	0	0	0%

4 – 6	0	1	1	0	0%
7 – 9	0	1	1	0	0%
10 – 12	2	2	3	0	0%
13 – 15	0	0	0	0	0%
16 – 18	2	2	2	0	0%
Total	4	6	7	0	0%

EMPLOYEES: MUNICIPAL OPERATIONS					
Job level	**2023/24**	**2024/25**			
	No. of employees	**No. of posts**	**No. of employees**	**No. of vacancies**	**Vacancies as a total of vacant posts**
0 – 3	0	0	0	0	0%
4 – 6	7	4	7	0	0%
7 – 9	7	3	7	0	0%
10 – 12	8	7	8	0	0%
13 – 15	0	0	0	0	0%
16 – 18	4	3	4	0	0%

Total	26	17	26	0	0%

EMPLOYEES: COUNCIL AND ADMINISTRATION					
Job level	**2023/24**	**2024/25**			
	No. of employees	**No. of posts**	**No. of employees**	**No. of vacancies**	**Vacancies as a total of vacant posts**
0 – 3	0	0	0	0	0%
4 – 6	2	2	2	0	0%
7 – 9	0	0	0	0	0%
10 – 12	1	1	1	0	0%
13 – 15	1	1	1	0	0%
16 – 18	0	0	0	0	0%
Total	4	4	4	0	0%

Employees : The Executive and Council					
Job Level	Year 1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies(as a % of total posts) %

0-3	0	0	0	0	0%
4-6	8	8	8	0	0%
7-9	2	8	8	0	0%
10-12	12	12	12	0	0%
13-15	0	0	0	0	0%
16-18	6	6	6	0	0%
19-20	0	0	0	0	0%
Total	30	27	27	0	0%

T3.23.4

Financial Performance Year 1: The Executive and Council					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.69.5

T3.24.5

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

Council Meetings

The Municipal Structures Act requires that council should meet at least a minimum of four (4) times a year. Mbhashe Municipality has in the previous year exceeded the above requirement. An action plan to monitor resolution taken by the council was developed and is assessed on a quarterly basis.

Attendance to Council Meetings

Mbhashe Municipality maintained adequate attendance of council meetings convened for the year under review, in most of the instances wherein councillors were unable to attend, apologies were tendered and approved.

All Party Whippery

Whippery is comprised of all chief whips for all parties represented in the council. The council has elected Whip of the council who is the chairperson of the whippery committee. The whippery committee sits every quarter before every council meeting for effective functioning and smooth running of council meeting.

Section 80 Committees

The Municipality has 5 Section 80 committees which are sitting on a quarterly basis where the chairpersons are elected by Executive Mayor and are functioning effectively. They assist the Executive Mayor in ensuring effective functioning of the standing committees.

Section 79 Committees

The Municipal Public Accounts Committee has been fully constituted and members were given the requisite training. T3.24.7

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

CHAPTER 3

The department is tasked with the provision of financial services in an accountable, effective and transparent manner. Strict measures are put in place to protect the financial viability of the municipality as well as to ensure compliance with the Municipal Finance Management Act, Act 56 of 2003 (MFMA). The department renders the following main services:

Asset Management

The municipality has and maintains a GRAP compliant asset register and a conditional assessment was carried out on our infrastructure assets especially the roads infrastructure.

Financial Reporting

The Annual Financial Statements were finalised and submitted as required by legislation. The municipality received Unqualified audit opinions for the following years 2018/19, 2019/20, 2020/21, 2021/22, 2022/23 and 2023/24. The budget was tabled and approved in line with the legislative requirements and monthly and quarterly reports were submitted in line with legislative deadlines. All financial and budget related policies were reviewed and approved.

Revenue Management

The municipality achieved 140% collection rate against its annual target for billable services. Major contributor to this achievement was government accounts which were paid. Ongoing interactions are taking place with customers in order to convince them to settle their accounts or make arrangements. A debt collector is also in place and long outstanding accounts are handed over for collection.

Expenditure Management

Expenditure management is an ongoing function with the aim of improving creditor’s efficiency by ensuring that all creditors are paid within 30 days. All invoices are paid within 30 days except when they are invalid, or issues are identified. A single payroll function is rendered, and employees are paid via EFT on a monthly basis. All statutory deductions are paid to the relevant bodies within the prescribed timeframes.

T3.25.1

Debt Recovery							
							R' 000
Details of the types of account raised and recovered	Year -1		Year 0			Year 1	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estmated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	12.398.769.44	62%	20.429.729.00	17.411.198.77	85%	10.000.000.00	100%
Refuse Removal	190.701.28	6%	3.730.340.00	135.074.27	4%	500.000.00	50%
Other							

T3.25.2

EMPLOYEES: FINANCIAL SERVICES		
Job level	**2023/24**	**2024/25**

	No. of employees	No. of posts	No. of employees	No. of vacancies	Vacancies as a total of vacant posts
0 – 3	0	0	0	0	0%
4 – 6	7	4	7	0	0%
7 – 9	6	5	6	0	0%
10 – 12	7	9	9	0	0%
13 – 15	0	0	0	0	0%
16 – 18	3	3	3	0	0%
Total	**23**	**21**	**25**	**0**	**0%**

T3.25.4

Financial Performance Year 0: Financial Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	**355.630.269.81**	**355.567.000.00**	**355.567.000.00**	**382.001.233.08**	**107%**
Expenditure:					
Employees	7.942.398.99	13.934.078.34	13.934.078.34	13.359.890.07	96%
Repairs and Maintenance	3.000.000.00	3.200.000.00	3.200.000.00	3.200.000.00	100%
Other					
Total Operating Expenditure	**10.942.398.99**	**17.134.078.34**	**17.134.078.34**	**16.559.890.07**	**97%**
Net Operating Expenditure	**344.687.870.82**	**338.432.921.66**	**338.432.921.66**	**365.441.343.01**	**108%**

T3.25.5

T3.25.6

Capital Expenditure Year 0: Financial Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total	**8.972.733**	**8.972.733**	**8.850.574**	**99%**	
Acquistion of Assets	8.972.733	8.972.733	8.850.574	99%	

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Overall the municipality does have sound Financial Management Practices and controls in place to ensure compliance with the laws and regulations.

T3.25.7

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources Management Services rendered by Mbhashe aim to achieve the following:

1. Manage training and development initiatives

2. Recruit and hire new employees

3. Track and analyze employee performance and be able to provide feedback and guidance to the employee

4. Facilitate and moderate the employee-employer relationship.

5. Manage organizational and company culture for the successful functioning of each organization.

6. Create a safe and inclusive work environment

7. Oversee and manage benefits and compensation

9. Handle conflicts, disciplinary actions, and terminations

T3.26.1

SERVICE STATISTICS FOR HUMAN SERVICE RESOURCE SERVICES

As per approved structure, as of 30 June 2024 there are 12 vacancies.

T3.26.2

Service Objectives / Service Indicators	Outline Service Targets	Year -1		Year 0			Year 1
		Target	Actual	Target		Actual	Target
		*Previous Year		*Previous Year	*Current Year		*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
To provide and enhance skills among the Councillors, Traditional Leaders, Ward Committees and Employees to ensure effective service delivery by 2027							
By up skilling employees and Councillors through formal and informal 192articipa te192n as per WSP and other funders (SETA, SALGA, TVET)		5 training interventions implemented as per approved WSP	5 training intervention s implemente d as per approved WSP	Computer Course (38) Occupation al health	10 Formal Intervention s and 2 Informal Intervention s 30 unemployed graduates registered for internship programme	10 employees/councillor s registered for formal qualifications and 15 informal trainings/ workshops conducted as per approval development plan	12 employe es/counci llors registere d for formal qualificati ons and 15 informal trainings/ 192 articip conducte d as per approval develop

					and safety (15) Waste management (50) Supervisory management skills (28) Project Management (25) Hygiene cleaning (10) Team Building (100) SAMTRAC(1) Municipal governance (3)			ment plan	

				Antifraud and corruption (44)			
		5 formal qualifications		5 qualifications implemented for officials	9 Formal Qualifications implemented for officials & Councillors	7 qualifications implemented for officials (LLB (2), ,Degree in Public Administration(6), and Honours in Public Administration (5) Post Grad in Public Admin (1) Basic Traffic Diploma (7) Peace officers (4)	1.Examiner of Driving Licence (1) 2.CPMD (3) 3.Advance Public Management (1) 4.PHD Public Management (1) 5.Degree Public

						Examiner of driving licence(6)	Management (1) 6.Degree LLB (1) 7.Certificate in Finance Management (1) 8.NHC: Achieves and Records Management (1) 9.Degree: Bachelor Waste Management /Environmental Management (1) 10.NHC: Tourism

							Management (1) 11.Advanced Diploma Accounting Sciences (1) 12.Bachelor of Commerce SCM (1) 13.Bachelor of Business Administration (1) 14.Post Grad: Accounting Science (1) 15.Honours

							Public Administration (1)
			25 Unemployed Community programme	25 Unemployed Community programme	30 unemployed graduates were enrolled in an internship programme and placed in various departments	25 unemployed graduates participated in the programme	30 unemployed graduates 197articipate in the programme.

T3.25.3

EMPLOYEES: HUMAN CAPITAL					
Job level	**2023/24**	**2024/25**			
	No. of employees	**No. of posts**	**No. of employees**	**No. of vacancies**	**Vacancies as a total of vacant posts**

0 – 3	0	0	0	0	0%
4 – 6	2	1	2	0	0%
7 – 9	0	0	0	0	0%
10 – 12	3	3	3	0	0%
13 – 15	0	0	0	0	0%
16 – 18	1	1	1	0	0%
Total	6	5	6	0	0%

T3.26.4

Financial Performance Year 0: Human Resource Services

R'000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**47,874.41**	**100,000.00**	**100,000.00**	**471,823.00**	-372%
Expenditure:					
Employees	3,570,204.61	7,109,701.00	7,109,701.00	6,697,171.00	6%
Repairs and Maintenance	7,242.42	-	32,996.00	32,996.00	0%
Other	5,594,714.60	4,640,604.00	5,233,540.00	4,669,612.00	11%
Total Operational Expenditure	**9,172,161.63**	**11,750,305.00**	**12,376,237.00**	**11,399,779.00**	**8%**
Net Operational Expenditure	**-9,124,287.22**	**-11,650,305.00**	**-12,276,237.00**	**-10,927,956.00**	**11%**

T3.26.5

Capital Expenditure Year 0: Human Resources R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	800,000	800,000	582,676	27%	800,000
Computers and Printers	50,000	50,000	24,370	51%	50,000
Office Furniture & Equipment	50,000	50,000	1,320	97%	50,000
Vehicles	700,000	700,000	556,986	20%	70,000

T3.26.6

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

The section has successfully held conducted the following programmes:

Career Expo, Employment Equity Analysis, Training and Development,

Attained a Letter of Good Standing from the Department of Employment and Labour

Awarded a certificate by LGSETA for timeous submission of Workplace Skills Plan(WSP) etc

The reviewed Organizational Structure for 2024/25 was approved by Council consisting of 6 departments: Municipal Operations, Budget and Treasury, Corporate Services, Infrastructure, Community Services and Development Planning.

Comment on Injuries

The Municipality strives to ensure that the injured employees are given the necessary medical care so that the injured can return to work at the shortest period possible. The Occupational Safety offices core function is to develop, monitor and implement health and safety systems and procedures within the Municipality. This monitoring and reporting is undertaken to ensure compliance with the occupational Health and Safety Act. In order to ensure compliance with the Act, an operational plan was developed in accordance with the SDBIP to conduct occupational health and safety workshops.

T3.26.7

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

SERVICES

Information and Communication Technology to make sure alignment of ICT strategy with a well-defined business strategy that is supported by clearly documenting business processes and translates the business vision, the municipal structure and behaviour of the municipality including its information systems into a strategic roadmap. Ensuring that ICT delivers against the strategy through clearly defined expectations and measurement. Directing ICT strategy to balance investments between systems that support the enterprise as-is, as well as transform ICT capabilities to enable the business to grow and support new programs and/or directives. Making deliberate decisions about the focus of ICT resources, including personnel, contracted services, hardware, software assets and and ICT risks are mitigated.

The municipality have ICT Steering Committee which is the committee of the municipality charged with the responsibility to oversee the development, implementation, monitoring and review of IT investments and to ensure that a satisfactory ICT environment is maintained. This means the committee has to review the implementation of municipal policies, procedures, practices, and guidelines and alignment of ICT infrastructure to the municipal objectives.

Implement ICT service strategy which is a plan of action to create an information technology capability for maximum, and sustainable value for an organization which helps to create shareholder value, that is, it helps maximize return on IT investments. Oversee the stability of business systems and network infrastructure within the organization, which require constant performance monitoring. Set institution-wide standards for software configurations and implementation guidelines in line with Policies and Procedure Manuals. Ensure maximized uptime, performance optimization, and full utilization of ICT resources and implementation of security measures & electronic data operations. Co-ordinates tasks/activities associated with the provision of End User support and analyses, diagnoses and resolves software/ hardware related problems.

Everything implemented is in line with Fourth Industrial Revolution and comply with all legislation and ICT governance.

T3.27.1

SERVICE STATISTICS FOR ICT SERVICES
As per approved structure, as of 30 June 2024 there are 02 and 1 vacant.
T3.27.2

ICT Service Policy Objectives Taken From IDP								
Service Objectives	**Service Objectives**	**2021/22**		**2022/23**				**2023/24**
	Service Indicators	**Target**	**Actual**	**Target**		**Actual**	**Target**	
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**	***Previous Year**		***Previous Year**
(i)	**(i)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(iii)**	**(iv)**	**(v)**
To ensure an integrated, stable and responsive ICT infrastructure driving 4IR by June 2027.								
Review ICT policies	Reviewed ICT policies							11
Review ICT Governance Framework	Reviewed ICT governance framework							1

Review ICT Governance Charter	Review ICT Governance Frameworks							1
Review Disaster Recovery – Business Continuity Plan	Reviewed Disaster Recovery – Business Continuity Plan							1
Review ICT Strategic Plan- ICT Master Plan	Reviewed ICT Master Plan							1
Review ICT Service Strategy	Reviewed ICT Service Strategy							1
ICT Acceptance Use Policy	Developed ICT Acceptanc							1

	e Use Policy							

T3.27.3

Employees: ICT and Archives Services					
JOB LEVEL	**Year 2023/2024**	**Year 2024/2025**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0-3	0	0	0	0	0%
4-6	4	3	6	0	0%
7-9	0	0	0	0	0%
10-12	3	3	3	0	0%
13-15	0	0	0	0	0%
16-18	1	1	1	0	0%
Total	**8**	**7**	**10**	**0**	**0%**

T3.27.4

Financial Performance Year 0: ICT Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**-**	**-**	**-**	**-**	**0%**
Expenditure:					
Employees	1,083,758	1,075,164	1,075,164	1,075,160	0%
Repairs and Maintenance	-	-	-	-	
Other	1,244,428	2,465,049	2,434,832	2,390,906	2%
Total Operational Expenditure	**2,328,186**	**3,540,213**	**3,509,996**	**3,466,066**	**1%**
Net Operational Expenditure	**-2,328,186**	**-3,540,213**	**-3,509,996**	**-3,466,066**	**1%**

T3.27.5

Capital Expenditure Year 0: ICT Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance to budget	Total Project Value
Total All	**2,436,291**	**2,536,291**	**1,249,030**	**51%**	**2,536,291**
Computers & Printers	300,000	350,000	207,384	52%	350,000
Cables	300,000	300,000		100%	300,000
Software	686,291	886,291	685,646	23%	886,291
Servers	450,000	450,000	161,000	64%	450,000
Data Recovery	200,000	300,000	195,000	35%	300,000
VPN	500,000	250,000	-	100%	250,000
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.27.6*

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

Information Communication Technology section made sure that they manage the stability of business systems and network infrastructure within the organization, which required constant performance monitoring.

The municipality is still busy with processes to upgrade Virtual Private Network and Internet connection that gives access to municipal systems and network in all municipal offices, Voice over Internet Protocol Telephone system across municipal offices to enhance communication internal and with outside stakeholders and also including WiFi connection for Mbhashe employees and citizens at last using municipal buildings as hot spot.

Municipal financial system, HR and Payroll systems are mSCOA compliant as per National treasury requirements, New network cabling infrastructure for satellite offices, Upgraded municipal website with constant maintenance,

Reviewed Disaster recovery- Business Continuity Plan, ICT Governance Framework, ICT Governance charter, ICT Policies and Procedure manuals. Developed new ICT Master Plan and ICT Service Strategy to enhance ICT services to municipal ICT end users.

ICT Steering Committee TOR reviewed and new appointments made and was established to enhance ICT performance. ICT Steering Committee meetings are held quarterly and it's recommendations are implemented timeously. System trainings attended by ICT employees to enhance their skills.

Upgraded server room infrastructure and it complies with standards. Upgraded email solution to meet all current municipal needs and to comply with Governance.

T3.72.7

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Property in this context refers to land and buildings (immovable properties). Owners of the immovable property in the municipality are the following:-

Communal under traditional leadership
Privately owned properties
Government owned properties (DRDLR and Department of Public Works)
Municipal owned properties
The municipal valuation roll is used as database where all properties registered on the deeds office are kept. The latest valuation was updated in 2014 and supplementary valuation rolls done in every year thereafter. The municipal valuation roll for the third cycle was supposed to start beginning of July 2019 for implementation but there were issues with rate payers and the municipality was unable to implement as per the approved valuation project plans and we have applied for condemnation from MEC.

The municipality also leases land to enterprises with the purpose of uplifting and promoting private sector investment. In 2018/19 financial year, the municipality has improved in the internal controls with regard to leases. The lease policy has been adopted by council; more lease agreements have been signed and the collection rate on leases has improved. The municipality has lease register that is updated on a yearly basis.

T3.28.1

CHAPTER 3

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*									T3.73.3

T3.28.

CHAPTER 4

Employees: property, Legal, risk management and procurement services

EMPLOYEES: PROPERTY AND LEGAL SERVICES					
Job level	**2023/24**	**2024/25**			
	No. of employees	**No. of posts**	**No. of employees**	**No. of vacancies**	**Vacancies as a total of vacant posts**
0 – 3	0	0	0	0	0%
4 – 6	1	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	2	1	1	0	0%

13 – 15	0	0	0	0	0%
16 – 18	1	1	1	0	0%
Total	**3**	**2**	**3**	**0**	**0%**

EMPLOYEES: RISK MANAGEMENT SERVICES					
Job level	**2023/24**	**2024/25**			
	No. of employees	**No. of posts**	**No. of employees**	**No. of vacancies**	**Vacancies as a total of vacant posts**
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%

10 – 12	1	1	1	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
Total	**1**	**1**	**1**	**0**	**0%**

T 3.28.4

EMPLOYEES: RISK MANAGEMENT SERVICES					
Job level	**2023/24**	**2024/25**			
	No. of employees	**No. of posts**	**No. of employees**	**No. of vacancies**	**Vacancies as a total of vacant posts**

0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	1	1	1	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
Total	**1**	**1**	**1**	**0**	**0%**

T3.28.5

CHAPTER 4

EMPLOYEES: PROCUREMENT SERVICES					
Job level	2023/24	2024/25			
	No. of employees	No. of posts	No. of employees	No. of vacancies	Vacancies as a total of vacant posts
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	2	1	2	0	0%
10 – 12	1	1	1	0	0%
13 – 15	0	0	0	0	0%

CHAPTER 4

16 – 18	1	1	1	0	0%
Total	**4**	**3**	**4**	**0**	**0%**

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

Municipal properties include community facilities, social facilities, residential and investment properties. The municipality budgets and maintains the properties every financial year to keep them in a good condition.

Investment properties contribute on revenue collection through rentals from various leased properties. In the 2023/24 financial year there was a verification of all existing leases which resulted in identification of previously unaccounted leases which resulted in an increase of 41 to 100 leases which include billboards, vacant land and municipal owned buildings. The leasing of properties has a potential to increase revenue for the municipality.

T3.28.7

COMPONENT J: MISCELLANEOUS

MUNICIPALITY DOES NOT HAVE AIRPORT, ABATTOIRS, MUNICIPAL COURTS AND FORESTRY.

COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD

SECTION A1: SERVICE DELIVERY PERFORMANCE FOR 2023/24

CHAPTER 4

A1.1: SUMMARY OF ANNUAL ORGANISATIONAL PERFORMANCE RESULTS

SECTION A1: SERVICE DELIVERY PERFORMANCE FOR 2024/25

A1.1: SUMMARY OF ANNUAL ORGANISATIONAL PERFORMANCE RESULTS

DETAILED PERFORMANCE

CHAPTER 4

Unacceptable	**1**	**66% and below**
KPI not fully effective	**2**	**67% - 99%**
KPI Fully effective	**3**	**100-132%**
Significantly above expectations	**4**	**133% - 159%**
KPI's outstanding	**5**	**160%**

CHAPTER 4

SUMMARY OF PERFORMANCE PER KEY PERFORMANCE AREAS (KPAs)

KEY PERFORMANCE AREAS	TOTAL NO OF KPA'S	RATING 1	RATING 2	RATING 3	RATING 4	RATING 5	% Achieved 2024/25 FY	% Achieved 2023/24 FY	VARIANCE
MTI	15	0	0	12	1	2	100%	100%	0
SDI	26	1	3	19	0	3	96%	90%	6
LED	12	0	1	7	1	3	100%	100%	0
MFV	15	0	2	11	0	2	100%	93%	7
GGP	38	1	0	32	3	2	97%	100%	(3)

CHAPTER 4

TOTAL NO OF KPA'S	106	2	6	81	5	12	98%	96%	2

8. SUMMARY OF PERFORMANCE PER KPI'S

DEPARTMENTS	TOTAL KPI	RATING 1	RATING 2	RATING 3	RATING 4	RATING 5	% Achieved 2024/25 FY	% Achieved 2023/24 FY	VARIANCE
Corporate Services	20	0	0	17	1	2	100%	95%	5
Infrastructure	24	1	3	19	0	1	96%	89%	7

Community Services	**17**	**0**	**0**	**13**	**0**	**4**	**100%**	**100%**	**0**
Developmental Planning	**23**	**1**	**1**	**18**	**1**	**2**	**96%**	**96%**	**0**
BTO	**20**	**0**	**2**	**16**	**0**	**2**	**100%**	**95%**	**5**
Operations	**32**	**0**	**0**	**27**	**3**	**2**	**100%**	**100%**	**0**
Total No of KPI's	**136**	**2**	**6**	**110**	**5**	**13**	**99%**	**96%**	**3**

CHAPTER 4

CHAPTER 1

DETAILED PERFORMANCE INFORMATION 2024/25 FINANCIAL YEAR

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT										
To provide and enhance skills	By up skilling employees and Councillors,	Study Assistance	Number of employees/Councillors registered for formal qualifications	MTI 1.1	10 employees/Councillors registered for formal qualifications	21 formal & Informal qualification conducted as follows:	Quarterly reports signed by SM illustrating that 20 Informal trainings were	3	4	Received other funding from SETA's, SALGA	N/A	**SM Corp**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
among the Councillors, Traditional Leaders, Ward Committees, unemployed youth and employees to ensure	through formal and informal qualifications as per WSP and other funders (SETA, SALGA, TVET		(new & continuing) and informal trainings conducted as per approved skills development plan (WSP and SETA, SALGA, TVET)		and 15 informal trainings/workshops conducted as per approved skills development plan (WSP and SETA, SALGA, TVET) R4 150 000	Formal-6 Informal-15	conducted, and 14 formal qualifications have been registered. Attendance registers are attached.			and there were other trainings that were identified by the municipality to be implemented as a matter of urgency for service		

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
effective service										delivery purposes		
delivery by June 2027		Unemployed Community Programs (youth, women and other	Number of unemployed youth participating in internship and learnership programs (Youth, Gender and persons living	MTI 1.2	35 unemployed youth participating in internship/ learnership programs from Municipality and various SETAs	26	60 unemployed youth participating in internship program. Registers are attached	3	5	Students received funding from various as follows: SETA's, Mbhashe LM, National	N/A	**SM Corp**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		groups.)	with disabilities)		(youth, gender and persons living with disability) R1620000					Treasury, Food Beverages, Southern Africa Institution for Artisans, LG-SETA & King Hintsa		

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By maintaining a low vacancy rate	Recruitment and Selection	Turnaround time taken to fill vacant positions	MTI 2.1	90 days turnaround time taken to fill the vacant positions R700 000	**90 days' time taken to fill vacant posts as follows:** Communications manager, Manager Revenue & Expenditure,	Signed Recruitment and Selection report by SM illustrating those 90 days turnaround time taken to fill the vacant positions has been done. Proof of request	3	3	N/A	N/A	**SM Corp**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						Secretary to Speaker, Secretary to Mayor, Messenger. **Posts not filled within 90 days' time**: PA Mayor,	for filing of post submitted.					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						SPU Coordinator, Credit Controller, Revenue Accountant, Risk Officer & Property Clerk.						

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By organizing or coordinating assistance programs for Councillors, Traditional	Employee Wellness programmes	Number of Employees and Councillors Wellness activities / Interventions / programs organized/ coordinated	MTI 2.2	4 Employees and Councillors Wellness activities / Interventions / programs organized/ coordinated R1 680 000	4	10 wellness programs conducted for councillors and employees. Attendance registers for the programs conducted are attached.	3	5	Due to staff assessment, there were interventions done for employees.	N/A	**SM Corp**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	Leaders and Employees	Career Expo	Number of career Expo conducted at Dutywa, Gatyana and Xhorha	MTI 2.3	3 Career Expo conducted as follows: Dutywa-1, Gatyana-1 and Xhorha-1	1	3 career Expo conducted in all three units as follows: Dutywa-1 Xhorha-1 Gatyana-1 Attendance registers are attached.	3	3	N/A	N/A	**SM Corp**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
To ensure monitoring and evaluation of IDP to improve institutional performance by June 2027	By coordinating performance reporting, monitoring and evaluation.	Performance Management	Number of consolidated Institutional Reports on Individual Performance Reviews submitted to Municipal Manager	MTI 3.1	6 consolidated Departmental Reports on Individual Performance reviews submitted to Municipal Manager R850 000	6	6 Consolidated departmental individual assessment reports signed by MM	3	3	N/A	N/A	**SM Corp**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Number of departmental reports on individual performance reviews submitted to Corporate Services	MTI 3.1.1	4 departmental reports on individual performance reviews submitted to Corporate Services R0		4 departmental individual performance reviews conducted by each departments and submitted to corporate services as follows: Operations-4 Infrastructure-4	3	3	N/A	N/A	**All SM's**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							Developmental Planning--4 BTO-4 Community Services-4					
	By improving organisational performance through monitoring		Number of quarterly organisational performance assessment reports	MTI 3.2	6 quarterly organisational performance assessment reports submitted to	6	6 quarterly organisational reports taken to council for noting as follows: Q1 to Q4, Unaudited	3	3	N/A	N/A	SM Oper

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	and evaluation of reports		submitted to Council		Council R0		annual performance report and Mid-year performance report. Council agendas are attached.					
	By developing 2023/2024	Annual report development	Turnaround time for the submission of 2023/2024	MTI 3.3	2023/2024 Annual report submitted to AGSA by 31	Audited annual report for	Audited annual report for 2023/24 FY	3	3	N/A	N/A	SM Oper

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	annual report		final and audited annual report submitted to Council, AGSA, Provincial and qNational Treasury, COGTA and		August 2024 and to Council, Provincial and National Treasury COGTA and Legislature R100 000	2023/24 FY						

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Legislature									
To maintain all municipal facilities and properties by June 2027	By complying with labour related legislations	Labour matters	Turnaround time to submit compliance reports: COIDA and Employment equity to Dept of Employment and Labour) and WSP to LGSETA	MTI 3.4	Submission of 3 compliance reports submitted as follows: COIDA by 30 June 2025 and Employment Equity to	3	Report signed by SM illustrating that WSP, employment equity & COIDA reports have been submitted to LGSETA & Department of Labour. Proof of	3	3	N/A	N/A	**SM Corp**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					Dept of Employment by 15 Jan 2025 and Labour and WSP to LGSETA by 30 April 2025		payment and confirmation letter is attached.					
	By maintaining Municipal facilities	Maintenance of munici	Number of municipal facilities	MTI 4.1	14 municipal facilities	9	14 municipal facilities maintained as follows:	3	3	N/A	N/A	SM Oper

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	and properties	pal facilities	maintained as follows: (Executive House, Staff Accommodation, Dutywa town hall, Customer Care building, Tesko building) (Dutywa main building,		maintained as follows: (Executive House, Staff Accomodation, Dutywa town hall, Customer Care building, Tesko building) (Dutywa		Staff accommodation, Town Hall upgrade, Customer care building, TESKO building, Elliotdale municipal building, Dutywa main building, Dutywa TRC,					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Gatyana TRC building, Elliotdale Municipal building, Dutywa Animal pound, Elliotdale Green park, Dutywa Workshop,Elliotdale Indoor Sport Centre,		main building, Gatyana TRC building, Elliotdale Municipal building, Dutywa Animal pound, Elliotdale Green park, Dutywa		Elliotdale Indoor Sport Center, Dutywa animal pound, Elliotdale green park & Gatyana TRC, Executive House, Workshop. Signed quarterly reports with pictures of before & after					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Willowvale Indoor Sport Centre and Dutywa TRC R8 000 000		Workshop, Willowvale Indoor Sport Centre and Dutywa TRC)		and assessment reports are attached.					
	By maintaining public ablutions	Public Ablutions	Number of ablution facilities maintained in each unit (Dutywa, Gatyana and	MTI 5.1	4 ablution facilities maintained as follows:(Dutywa-2[Town Hall&	4	4 Ablution facilities maintained as follows: Dutywa-2 Gatyana-1 Xhorha-1	3	3	N/A	N/A	SM Corp

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Xhora) as per assessment report		TESKO], Gatyana-1[Next to TRC hall] and Xhora-1[Post Office]) as per assessment report		Quarterly reports signed by SM with pictures and assessment reports are attached.					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
To ensure an integrated, stable and responsive ICT infrastructure driving	By providing alternative water supply to municipal facilities	Water consumption	Number of municipal facilities provided with boreholes: Dutywa staff accommodation	MTI 5.2	1 municipal facility provided with borehole Dutywa Staff accommodation	2 municipal facilities provided with boreholes as follows: Dutywa-2 White House-1	Signed quarterly report on installation of 1 borehole at Dutywa staff accommodation. Pictures are attached.	3	3	N/A	N/A	SM Corp

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
4IR by June 2027.	By ensuring Business Continuity through disaster recovery and Failover solution	ICT Governance	% implementation of ICT Steering Committee resolutions	MTI 6.1	100% implementation of the ICT steering committee resolutions R9 980 000	100%	Signed quarterly reports by SM illustrating that 100% on implementation of the ICT steering committee resolutions have been done.	3	3	N/A	N/A	SM Corp

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By extending connectivity to community members	Maintenance of WIFI Connection	Number of municipal buildings with maintained Wi-Fi connection as follows: (Main Building, Customer Care, TRC Hall, Tesko, Dutywa Workshop, Gatyana	MTI 6.2	8 Municipal buildings with maintained Wi-Fi connections. (Main Building, Customer Care, TRC Hall, Tesko, Dutywa Workshop, Gatyana		Quarterly reports signed by SM illustrating that 8 municipal buildings have maintained WIFI connections as follows: Main Building, Customer Care, TRC Hall, Tesko, Dutywa	3	3	N/A	N/A	SM Corp

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			offices, Xhorha offices & Xhorha library)		offices, Xhorha offices & Xhorha library R1 700 000		Workshop, Gatyana offices, Xhorha offices & Xhorha library					
		KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE 40%										
To construct, maintain and	By constructing new access roads to	Construction of new	Number of kms of new access roads constructed as	SD 1.1	13.3 kms of new access road constructed	21.4km's constructed as	13.4 km's of access roads constructed as follows:	4	2	The km's for ward 12 which is 9.9 has	The project will be	**SM Infra**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
upgrade quality infrastructure by June 2027	public amenities and Tourism attraction areas	gravel roads	follows ward 12 & 22. And site establishment for ward 3, 11,15, 24 & 27.		as follows: ward 12-9.8km's (Bolishi to Nqabarha access road). & ward 22-3.5km's (Mgxabakazi access road). Site establishment for ward 3,	follows: Ward14-4.3km's Ward17-2km's Ward13-3.8km's of roadbed done Ward26-3km's of access road done,	Ward-12-9.9kms Ward-22-3.5km's And site establishment with roadbed done as follows: Ward 3, 11, 15 & 27 and ward 24 is on hold due to pending environmental approval.			been done and the outstanding work is construction of bridge and ward 24 is on hold due to	monitored as the contractor is on site currently and will be completed by the 2nd	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					11,15, 24 & 27. **R38 525 976,55**	however the bridge is not complete Ward31- 8.3kms of access road done, however the bridge is not complete				pending environmental approval.	quarter of 2025/26 FY. For ward 24, a fine has been paid and the	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
											project has been planned in the 2025/26 FY SDBIP.	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		Construction of bridges	Number of bridges completed at Ward 20 (Ntlonyane bridge)	SD 1.1.1	1 bridge Completed at ward 20 Ntlonyane bridge **R2 757 639.49**	0 Report signed by SM illustrating that the bridge is not complete, the following activities have been	0 Report signed by SM & Consultant illustrating that the following activities have been done on ward 20 Ntlonyane bridge: Abutments complete	1	1	Poor performance by the main contractor and inclement weather	The works have been ceded to submit contractor with necessary	**SM Infra**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						done: Clearing and Grubbing, foundation excavations for Abutment bases & walls, Reinforced Concrete wingwall	Piers complete Steel for deck fixed and assembled.				resources to execute the works to completion. The project will be compl	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						bases& walls, Core drilling and geotechnical, Reinforced Concrete Abutments and bases done.					eted by the end of quarter 1 2025/26 FY	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		Construction of existing access roads	Number of existing access road completed at Siyibane at ward 8	SD 1.1.2	7.5km's completed at ward 8 Siyibane **R7 000 000**	Ward 8 (Msikithi)- 6.21km's Ward 8 (Sibane)- 0km's	7.5km's constructed at ward 8 Siyibane. Practical completion certificate is attached.	3	3	N/A	N/A	**SM Infra**
		Upgrading of	Number of meters of roadbed	SD 1.1.3	500m of Roadbed constructed	0 Report signed by	557m of roadbed constructed at ward 1 (road 12	3	3	More resources were	N/A	**SM Infra**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		surfaced roads	constructed at ward 1.		at ward 1 **R13 000 000**	SM illustrating that 1.37km's of surfaced road and 57.9m has not been done.	& 12b-300m, road 3-200m, road 8- 57m), signed quarterly report by SM and Consultant with pictures, site minutes & attendance register.			available.		

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By maintaining access roads.	Gravel roads maintenance	Number of meters paved and installation of storm water control measures at Gatyana ward 25, Dutywa ward 1 and Xhora ward 13 as per	SD 1.1.4	130m paved at Gatyana ward 25 (Opposite KFC), 200m Xhorha ward 13 (Boxer to Caltex Garage) and 300m in Dutywa installation of storm water	**Paving as follows:** Xhorha-100m Gatyana-130 **Installation of culverts as follows**:	470m paved as follows: Xhorha-200m Gatyana-130m Dutywa-140m Signed report by SM illustrating that stormwater & earthworks were done but due to failure of layer works	2	2	Earthworks and portion of installation of stormwater control measures were done but due to failure of layer	Laboratory tests were conducted, and recommendation was to take	**SM Infra**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			assessment report		culverts as per assessment report **R9 000 000**	Xhorha- 13 Gatyana-9	these were removed.			works they were removed. There was unstable material (too much clay) during construct	out the clay material and add 300mm layer. Project will be compl	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
										ion of earthworks and stormwater that needed to be removed	eted by first quarter 2025/26 FY and contractor to align project plan	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
											to meet targeted works.	
			Number of km's of access roads maintained in each unit as follows:	SD 1.1.5	60kms of access roads/re-gravelling maintained as follows:	231.66km's of access roads maintained as follows:	103.2km's of access roads constructed as follows: Xhorha- 36.2km's	5	5	Infrastructure utilize back-up services contract	N/A	**SM Infra**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			(Gatyana, Xhora and Dutywa)		Gatyana- 20km’s Xhorha- 20km’s Dutywa- 20km’s **R22 973 000**	Xhorha- 69.3km’s Gatyana- 71.1km’s Dutywa- 91.26	Gatyana- 37.8km's Dutywa- 29.2km's			to hire machines to assist in-house teams to attend roads infrastructure heavy maintenance as to		

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
										cover more scope of works with quality		
	By upgrading storm water		Number of squre meters of potholes fixed as per the assessment	SD 1.1.6	280 squre meters of potholes fixed as per the assessment	282.11 of square meters as follows: Xhorha-82m	285 square meters of potholes fixed as follows: Xhorha-84.5	3	3	N/A	N/A	**SM Infr**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	culverts and channels By electrifying households with historical backlog		report at Dutywa, Gatyana and Xhorha		report as follows Dutywa-120, Gatyana-80 and Xhorha-80	Gatyana-80m Dutywa-120.11m	Gatyana-80 Dutywa-120.5					
		Upgrading of stormwater control	Number of storm water control measures upgraded in each unit	SD 1.1.7	32 storm water control measures upgraded in each unit (Gatyana,	96 Storm water control measures upgraded in each	96 stormwater control measures upgraded as follows: Xhorha-32	3	3	N/A	N/A	**SM Infr**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			(Gatyana,Dutywa and Xhorha)		Dutywa and Xhora) R600 000	unit as follows: Gatyana-39 Dutywa-32 Xhorha-25	Gatyana-32 Dutywa-32					
		Electrification	Number of km's of link lines constructed at	SD 1.2	6.7km of link lines constructed at msikithi	434 Households electrified as follows:	11.3km's of link lines constructed at ward 8 as follows:	3	3	N/A	N/A	**SM Infr**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			ward 8 Sibane and Msikithi.		and 4.6km's for sibane	ward 23-305 ward 14-129 Practical completion certificate and report signed by SM. Confirmation letters and list of	Msikithi-6.7km's Sibane-4.6km's					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						beneficiaries.						
	By upgrading street lights in all towns	Upgrade of street lights	Number of street lights upgraded at ward 1 and ward 13 as per assessment report.	SD 1.3	40 streetlights upgraded at ward 1 and 13 as follows: Ward 1 – 20	50 upgraded streetlights as follows: Ward 1-30 Ward 25-20	40 streetlights upgraded as follows: Ward 1 – 20 Ward 13 – 20	3	3	N/A	N/A	**SM Infra**

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					Ward 13 – 20 as per the assessment report **R3 000 000**							
	By maintaining streetlights in all towns	Maintenance of street lights	% of street lights and high mast lights maintained as per the assessment report at	SD 1.4	100% of street lights and high mast lights maintained as per the assessment	**71% of Streetlights Maintained as follows:** Dutywa-	100% maintenance of streetlights as per the assessment report in all three towns as	3	3	N/A	N/A	**SM Infra**

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			Dutywa, Gatyana and Xhora		report at Dutywa, Gatyana and Xhora **R3 000 000**	78% Gatyana-52% Xhorha-83% **70% of High mast lights maintained as follows:** Dutywa-	follows: Dutywa-100% Gatyana-100% Xhorha-100%					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						92% Gatyana-25% Xhorha-78%						
	By energising high mast lights in all units	Installation of highmast	Number of high mast lights energized as per the assessment report at ward	SD 1.5	1 high mast light energized as per the assessment report at ward 13 and	2 high mast lights maintained as follows: Ward 13-1 ward 32-1	1 high mast light energized at ward 13 and 3 high mast lights rehabilitated at ward 25	3	3	N/A	N/A	**SM Infra**

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			13 and Rehabilitation of 3 highmast at Ward 25		Rehabilitation of 3 highmast at Ward 25 1 **R1 150 000**	ward 25-0 The report signed by SM illustrating that high mast lights have been maintained , however at Gatyana they were						

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						vandalised.						
	By constructing Sport facilities	Construction of sport facilities	Number of phase 1 activities in construction of ward 1 sport facility (plantation of grass)	SD 1.6	1 activity for Phase 1 sport facility constructed at ward 1 as follows: plantation of grass	3 activities for phase 1 sport facility constructed as follows: Soccer	Report signed by SM illustrating that plantation of grass has been done	3	3	N/A	N/A	**SM Infra**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						Pitch, irrigation system & ablution facilities. However, fencing and running track is in progress and not yet complete.						

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			Number of design reports completed for phase 2 of Ward 13 sport facility and completion of irrigation system and fencing of courts.	SD 1.7	1 Design report developed for phase 2 ward 13 sport facility and completion of irrigation system and fencing of courts **R5 000 000**	1	1 design report done for phase 2 sport facility ward 13 & and completion of irrigation system and fencing of courts.	3	3	N/A	N/A	**SM Infr**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By constructing public facilities	Construction of public facilities	Number of phase 3 activities in construction at ward 2 sport facility (Cricket pitch and fencing)	SD 1.8	2 activities for phase 3 sport facility constructed at ward 2 as follows:(Cricket pitch and fencing) **R8 649 982.39**	1	0 activities for phase 3 sport facility constructed at ward 2 as follows: Cricket pitch- 90% progress, activities done is site clearence- 100%, Excavation works-100%,	2	2	Inclement weather challenges and delays in the delivery of material by the supplier.	A letter has been issued to the contractor to deliver the material on	**SM Infra**

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							pavement layers-37%, stormwater drainage-50%. Fencing-50% as follows: installation of fencing 30%, installation of concrete edge beam-30%				site within the specified period. The target will be achieved in Q2 of 2025/	

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											26 FY.	
			Number of taxi ranks in construction at Gatyana and Dutywa	SD 1.9	2 taxi ranks in construction as follows: Gatyana-Site establishment and	32 road safety measures implemented as follows: Gatyana-11	2 taxi ranks in construction for Gatyana and Dutywa as follows: Gatyana-Site establishment done	3	3	N/A	N/A	**SM Comm**

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					construction of earthworks at Dutywa. **R12 595 623.13**	Xhorha-9 Dutywa-12	Dutywa-Construction of earthworks completed					
			Construction of community halls	SD 1.10	Number of community halls constructed at Ward 8 (Gem Community	N/A	1 community hall constructed at ward 8 Gem Community Hall	3	3	N/A	N/A	**SM Comm**

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					Hall) **R1 489 164.47**							
		Construction of phase 1 Vehicle Testing station	Number of phase 1 activities constructed at ward 1 Vehicle Testing Station	SD 1.11	1 activity for phase 1 vehicle testing station completed at ward 1 as follows:	N/A	1 activity for phase 1 vehicle testing station completed at ward 1 as follows: foundation	3	3	N/A	N/A	

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					foundation **R6 000 000.00**							
To provide safe and healthy environment to the community	By implementing road safety measures	Implementation of safety measures	Number of road safety measures implemented in each unit Gatyana, Xhorha and Dutywa	SD 1.12	12 road safety measures implemented as follows: Gatyana-4, Xhorha-4 and	N/A	Signed quarterly reports by SM illustrating that 23 road safety measures were held as follows: Dutywa-14 Gatyana-5	4	5	There were more joint operations conducted due to	N/A	**SM Comm**

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by June 2027					Dutywa-4 **R3 142 000**		Xhorha-4 Attendance registers and pictures of the safety meausures taken are attached.			challenges that needed attention.		
To provide effective and affordable	By providing quality waste	Waste Management	Number of waste collection points serviced	SD 2.1	77 waste collection points serviced as	164 households and 20 commercia	77 waste collection points serviced as follows:	3	3	N/A	N/A	**SM Comm**

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safety services to the community by June 2027	management services	services	in Dutywa, Gatyana and Xhora.		follows: (Dutywa-20, Gatyana-27 Xhora-30) R8 450 000	l areas serviced as follows: (Dutywa-65 households and 10 commercial areas, Gatyana-49 households and 5	Dutywa-20 Gatyana-27 Xhorha-30 Waste collection registers, signed quarterly reports and list of areas for collection of waste are attached.					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						commercials, and Xhora-50 households) and 5 commercials						
			Number of programmes implemented as per the waste	SD 2.2	3 programmes implemented as per the waste	5 Programs implemented for waste	3 programs implemented as per waste management	3	3	N/A	N/A	**SM Comm**

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			management plan at ward 1, 13 and 25.		management plan at ward 1, 13 and 25.	management services as follows: Ward 1-2 Ward 13-1 Ward 25-2	plan as follows: Ward 1, 2 & 3					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		Pound Activity	Number of Reports on Municipal Pounds Activities	SD 2.3	4 Reports on Municipal Pound Activities R700 000	4	4 Signed quarterly reports by SM illustrating that pound activities were conducted	3	3	N/A	N/A	**SM Comm**
	By enforcing peace in all 3 towns	Joint Operations	Number of joint operations conducted to ensure peace and crime	SD 3.1	12 joint operations conducted to prevent crime as follows Gatyana-4,	34	27 joint operations conducted to prevent crime as follows: Dutywa-15	5	5	Due to high-rate car accidents as Dutywa	N/A	**SM Comm**

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			prevention at Gatyana,Dutywa and Xhora		Dutywa-4 and Xhora-4 **R5 548 000**		Gatyana-6 Xhorha-6			is situated on National road it is important for the department to have more joint operation		

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										s to make sure that more tourists comply with the law and law enforcement to make sure that		

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										the by-laws are inforced.		
	By providing effective and responsive safety services to coastal	Life Rescue Services	Number of beaches provided with life rescue services during peak seasons as follows: (Qhorha,	SD 3.2	10 beaches provided with life rescue services during peak seasons as follows: (Qhorha-	10	10 beaches provided with life rescue services during peak seasons as follows: (Qhorha-W22, Tenza-W22,	3	3	N/A	N/A	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	communities during peak seasons (December - April).		Tenza, Dwesa, Cwebe, Qatywa, Mpame, Mbholompo, Bulungula, Lubanzi and Haven).		W22, Tenza-W22, Dwesa-W29, Cwebe-W20, Qatywa-W32, Mpame-W19, Mbholompo-W19, Bulungula-W19, Lubanzi-W20) **R730 000**		Dwesa-W29, Cwebe-W20, Qatywa-W32, Mpame-W19, Mbholompo-W19, Bulungula-W19, Lubanzi-W19 and Haven-W20). Attendance registers of life quards are					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							attached for December holidays and April peak season					
To Facilitate the development of sustainable and viable	By facilitating the provision of appropriate houses to	Layout Plans	Number of relocation plans developed for Dutywa ward 1 and Gatyana ward 25	SD 4.1	2 Layout plans developed for Dutywa Ward 1 and Gatyana	2 Relocation plans as follows: Ward 9-1 Ward 25-1	2 Layout plans developed as follows: Ward 1-1 & Ward 25. Signed report by SM illustrating that layout plans	3	3	N/A	N/A	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
human settlements by June 2027	destitute households.				Ward 25 **R700 000**		have been developed.					
		Elliotdale RDP Construction	Number of reports on the construction of RDP houses developed	SD 4.2	4 progress reports on the construction of RDP houses at Xhorha. **R0**	N/A	4 Reports signed by SM on the progress of construction of RDP houses at Xhorha.	3	3	N/A	N/A	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
KPA 3: LOCAL ECONOMIC DEVELOPMENT 20%												
To promote agrarian reform and increase food security to emerging farmers by June 2027.	By conducting continuous engagements with DRDAR and other relevant stakeholders	Maintenance of LED Infrastructu	Number of LED Infrastructure projects (Dipping tanks & shearing sheds) maintained at Ward 2, 3,4,5,6,7 at Dutywa, Ward	LED 1.1	10 LED Infrastructure projects maintained at Ward 2-Good Hope Shearing Shed ,Ward 3 -Gwadana Cattle Dip,Ward 4 -	9	Signed quarterly reports by SM illustrating that 10 LED infrastructure were maintained as follows: ward 2-Good Hope shearing Shed, ward 3-Gwadana cattle	3	3	N/A	N/A	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			11& 12 at Gatyana and 13 & 15 at Xhorha as per assessment report		Gxarha Cattle Dip,Ward 5 - Bolothwa Shearing Shed,Ward 6 -Sihlabeni Shearing Shed, Ward 7 - Old Idutywa Cattle Dip, Ward 11 -		Dip, ward 4-Gxarha Dip tank, ward 5-Bolotwa shearing shed, ward 6-Sihlabeni shearing shed, ward 7-Mhala cattle dip, ward 11-Nkonkwana cattle Dip, ward 13- Riverview					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					Nkonkwana Cattle Dip, Ward 13 - Riverview Cattle Dip Tank, Ward 14 - Mndundu & Ward 15 - Mpiyose Cattle Dip Tank as per assessment		cattle dip tank, ward 14- Mndundu cattle Dip & ward 15- Piyose cattle dip tank					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					report **R1 000 000.00**							
	By providing assistance to emerging farmers in primary production	Crop production	Number of programs implemented to assist emerging farmers – Maize Support (79 projects supported) and	LED 1.2	2 programs implemented to assist emerging famers - Maize Support (79 projects supported)	2	Quarterly report signed by SM on 2 programs implemented to assist emerging famers as follows: 79 projects were supported with	3	3	N/A	N/A	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Livestock Remedy at Ward 1 to 32		and Livestock Remedy at Ward 1 to 32 **R5 000 000.00**		maize and wards from 1-32 were supported with livestock remedy. Confirmation signed by beneficiaries are attached					
	By capacitating farmers to	Agricultural	Number of agricultural roadshows	LED 1.3	10 agricultural roadshows	11	Signed quarterly reports by SM illustrating that	4	4	The department	N/A	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	meet quality and safety requirements through exposure	roadshows	held for farmers in each unit. (Gatyana, Dutywa & Xhorha) as per assessment report		held for farmers in three units (Gatyana-3, Dutywa-4 & Xhora-3) as per assessment report **R300 000.00**		16 agricultural roadshows were conducted as follows: Gatyana-3 Dutywa-8 Xhorha-5 Attendance registers are attached.			conducted more roadshows in partnership with different stakeholders from economic cluster		

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
To position and promote Mbhashe as a tourist destination of choice by June 2027	By supporting heritage development	Commemoration of Battle of Lurhwayizo	Number of commemorative event conducted at ward 21 (Battle of Lurhwayizo)	LED 2.1	1 commemorative event conducted at ward 21 (Battle of Lurhwayizo) R900 000	2	Report signed by SM illustrating that 1 event was conducted at ward 21 Battle of Lurhwayizo. Attendance register dated 30 January 2025 is attached together with	3	3	N/A	N/A	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							pictures of the event.					
To reduce poverty and unemployment through viable and sustainable job creation strategies by June 2027	By facilitating short term employment through EPWP projects implementation	EPWP	Number of participants on short-term employment opportunities (EPWP and CWP)	LED 3.1	627 participants on short-term employment opportunities (EPWP- 227 and CWP- 400) **R5 489 000.00**	1403 participants on short-term employment opportunities as follows: (EPWP-	EPWP- 472 CWP-1012	5	5	As the Coordinating department we have combined all the short term	N/A	**SM Comm**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						316 and CWP-1087)				employments in the institution. On CWP We got an additional funding from COGTA. That's why we		

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
										were able to employ more		
To develop and capacitate enterprises by June 2027	By supporting local SMMEs through targeted procurement	Co-operatives development	% of the Mbhashe operational budget allocated to SMMEs	LED 4.1	30% of the Mbhashe operational budget allocated to SMMEs **R45 489 649.16**	182% (R47 715 419.47/R26 263 296.75x100=182%)	Report signed by SM illustrating that 114% has been spent towards SMME's **(R172 860 667.00/ R45 489**	5	5	The department though his informal trade support	N/A	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							649.16 x30%=114%)			programme supported more local SMMEs		
	By conducting and hosting SMME's roadshows	SMMEs Road shows	Number of roadshows conducted for SMMEs as per approved concept plan	LED 4.2	3 roadshows conducted for SMME's as per approved concept plan in Dutywa-1,	4 roadshows conducted as follows: Dutywa-2	Report signed by SM illustrating that 3 SMME roadshows were conducted as	3	3	N/A	N/A	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			at Dutywa, Xhorha & Gatyana		Xhorha-1 & Gatyana-1 **R200 000**	Gatyana-1 Xhorha-1	follows: Gatyana-1 with pictures and attendance register dated 21/08/2024, Xhorha-1 with attendance register dated 21/11/2024, Dutywa-1 with attendance register dated					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							26/02/2025. Pictures for the SMME roadshows are attached.					
To unlock opportunities and transform marine economic	By supporting marine economic activities	Marine economic initiatives	Number of marine economic initiatives supported as per approved concept plan	LED 5.1	3 marine economic initiatives supported as per the approved concept plan	3	Quarterly reports signed by SM illustrating that 3 marine economic initiatives were	3	3	N/A	N/A	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
sector by June 2027			at ward 21, 29 and 32 (Fishing equipment)		at Ward 21, 29 and 32 (Fishing equipment) **R300 000**		supported with fishing equipments as follows: Ward 21 Lurhwayizo with attendance register dated 4/03/2025, ward 29 Mpame/Dwesa- with attendance register dated					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							4/03/2025 & Ward 32 with attendance register dated 9/05/2025. Delivery notes are attached.					
	By Capacitating and supporting	Co-operative's development	Number of local SMMEs capacitated and supported with tools of	LED 5.2	50 local SMMEs capacitated and supported	236	Report signed by SM illustrating that 105 SMME's were supported	3	5	Local SMME's and cooperatives also	N/A	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	local SMMEs		trade/trainings as per approved concept plan in Dutywa, Gatyana & Xhorha		with tools of trade/trainings as per approved concept plan in Dutywa, Gatyana & Xhorha **R1 500 000**		with tool's of trade/trainings as follows: 18 hawkers were supported with voucher of R5000 for fruit and vegetables, 7 SMME's were supported with tolls of trade. Delivery notes signed by			received external funding support from other development finance institutions.		

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							recipients are attached. Training of 20 agricultural cooperatives were supported with training, attendance register is attached. And 60 Mbhashe hawkers were supported with					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							vouchers as follows: Dutywa-20, Xhorha-20 & Gatyana-20					
To position and promote Mbhashe as a tourist destination	By using different marketing tools to market Mbhashe as a	Internal events(Tourism)	Number of events hosted and participated on- Ilifa Lo Mbhashe signature event, Tenza	LED 6.1	5 events hosted and participated on: 3 events hosted (Ilifa Lo' Mbhashe signature	5 events hosted and participated as follows: **Hosted-** Ilifa lo Mbashe,T	Quarterly report signed by SM illustrating that the following tourism events were hosted and participated on:	2	2	Tenza beach was closed due to the status of the	The target was only for the second quarte	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
of choice by June 2027	tourism destination		Beach Festival, Horse Racing, Africas Travel Indaba & Makhanda Arts Festival.		event, Tenza Beach Festival & Horse Racing and 2 events participated on -Africa's Travel Indaba & Makhanda Arts Festival **R2 250 000**	enza beach festival & Horse racing. **Participated on-** Mkhanda Arts festival and Africa travel Indaba	Ilifa Lo Mbhashe with attendance register dated 20/09/2025 Makhanda Arts Festival with attendance register dated 1 July 2024. Horse racing with attendance register dated 23/03/2025 and			beach which was not accessible, and the event was moved to town and the quarterly target was to	r, so there was no remedial action	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							Travel Indaba with attendance register dated 13-15th May 2025.			host coastal Beach Festival		
	By supporting tourism programmes	Tourism programmes	Number of tourism operators supported with trainings at Dutywa, Gatyana and	LED 6.2	10 Tourism Operators supported with tools of trade as in Dutywa, Xhorha and	10	Signed report by SM illustrating that 12 Tourism Operators were supported as follows: Dutywa-6	3	3	N/A	N/A	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Xhorha as per the concept note		Gatyana as per the approved Concept note R1 000 000		Gatyana-5 Xhorha-1 Signed delivery notes by project member					
To maintain heritage sites by 2027	By maintaining heritage sites	Heritage sites	Number of heritage sites maintained- King Hintsa, Sarhili and Fort Malan Memorial.	LED 7.1	heritage sites maintained - King Hintsa, Sarhili and Fort Malan Memorial	3	Quarterly signed reports by SM illustrating that maintenance of heritage sites were done as follows:	3	3	N/A	N/A	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							King Hintsa-1 King Sarhili-1 Fort Malan Memorial-1 Pictures and attendance registers are attached.					
KPA 4: MUNICIPAL FINANCIAL VIABILITY 10%												
To ensure alignment	By Budgeting	mSCOA	% alignment of 2025/26	MFV 1.1	100% alignment of	100%	100% of approved	3	3	N/A	N/A	**CFO**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
of the Budget with IDP priorities and compliance with municipal budget and reporting regulations by June 2027	according to IDP priorities	Implementation	Budget to the approved 2025/26 IDP		2025/26 Budget to the approved 2025/26 IDP **R3 035 000**		budget of 2025/26 FY aligned to IDP					
	By ensuring budget process and format is in compliance with		Number of financial reports submitted (Section 71, Section 52d, monthly key	MFV 1.2	101 financial reports submitted (12- Section 71, 4- Section 52d, 1-Section 72,	29 Financial reports as follows: S71-12 S52d-4 S72-12	69 financial reports submitted within 10th working days of the following month as follows:	2	2	The municipality encountered some challenges with	The department is currently investi	**CFO**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	municipal budget & reporting regulations		reconciliations Section 72 and Data strings) submitted to the Executive Mayor and Treasury by the 10th working day of the following month and 30 days after the		12- Data strings, 12-Bank, 12-Debtors, 12-VAT, 12-Payroll, 12-Asset and 12-Creditors Reconciliations) submitted to the Executive Mayor and	Data Strings- 1	Debtors-12 Vat-12 Creditors-12 Bank recon-4 S25d-4 S71-12 S72-1 Data strings-12			bank recon during the period of April which caused the recon to be out. There are still challeng	gating this issue as and plans to complete all the recons by the 18	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			end of the quarter.		Treasury by the 10th working day of the following month and 30 days after the end of the quarter					es with the payroll integration which now involves the alignment of accounts between the	July 2025. The payroll integration has been done manually throug	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
										payroll system and the financial system.	hout the year and therefore no reconciliation was required as the same	

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
											information from the payroll system was integrated to the financ	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
											ial system. The system is currently engaged in trying to resolv	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
											e this matter .	
	By ensuring that the Municipality maintains a healthy liquidity position		Financial Viability as expressed by Cost Coverage Ratio (B+C)÷D B represents all available cash at a particular	MFV 1.3	3:1	13:85:1 (R538 492 502.62/39 092 212.61X100=13:85:1).	Report signed by SM illustrating that 11.46:1 has been achieved. (R510 658 994.50/R44 544 836.87x100=11.46:1) Bank	4	5	The municipality had an excess of R400m invested in call	N/A	**CFO**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			time C represents investments D represents monthly fixed operating expenditure “Financial Viability as expressed by Cost Coverage Ratio (B+C)÷D				statement as at end of June 2025, register of investments as at end June 2025, cashflow report as end June 2025			accounts throughout the year and this yield just above R40m in interest.		

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure"									

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
To achieve sound financial management through accountability and transparency by June 2027	By compiling AFS that fairly present the financial position, financial performance, and cash flows	AFS Preparation	Number of unadjusted material audit queries raised by AG on the 2023/24 Annual Financial Statements	MFV 2.1	Zero unadjusted material audit queries raised by AGSA on the 2023/24 Annual Financial Statements **R1 410 000**	Zero	Zero unadjusted material findings raised by AGSA on the 2023/24 finacial year. Attached is a signed AGSA's report and Management letter	3	3	N/A	N/A	**CFO**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
To ensure maximization of revenue collection by June 2027	By ensuring accurate and timeously billing	General Valuation Roll	% of billable properties included in the municipal billing system as per the General Valuation Roll	MFV 3.1	100 % of billable properties included in the municipal billing system as per the General Valuation Roll **R2 560 000**	100%	Proof of updated billing system showing transfers done between the parties. Report signed by SM illustrating that all transfers for the year have been updated.	3	3	N/A	N/A	**CFO**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By fully implementing the debt collection and credit control policy	Debt Collection	% of budgeted billed income collected	MFV 3.2	100% collected on own budgeted billed revenue **R8 500 000**	148% of budgeted income collected (R12 589 470.72/R8 500 000 x100=148%)	140% on own collected billed revenue. (R17 546 273.04/R8 500 000 x100=206%).	5	5	The municipality was able to collect some of the long outstanding debts especially from Government	N/A	**CFO**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
										departments. The municipality has also started engaging business to encourage them to settle their		

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
										accounts.		
			% collected on other own budgeted revenue	MTI 3.3	100% collected on other own budgeted revenue (BTO- R47 400 000, Community services- R 3 900 000	120% collected on other own budgeted revenue as follows: Community services- 301%	123% collected on other own revenue (R94 519 208.81/R77 000 001x100=122%)	4	3	A significant portion of revenue was collected from VAT refunds	N/A	**CFO, Planning, Comm**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					,Development Planning-R2 290 000)	BTO-106% Dev Planning-57%				and Interest generated from investments		
To alleviate poverty to improve quality of household	By investigating and advising on poor households	Indigent support	Number of updated indigent register	MFV 4.1	1 Updated Indigent Register	0 Attached is a signed report by SM illustrating	1 updated indigent register and proof of submission to Council..	3	3	N/A	N/A	**CFO**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
life by June 2027	to participate in indigent support program					that wards were visited to update the indigent register, however there is no proof of submission of Updated Indigent						

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						Register to Council not in the file						
	By Utilizing equitable share to support Indigent household	Free Basic Services	% spent on allocation of equitable share on free basic services	MFV 4.2	100% spent on the allocated equitable share portion towards free basic services	100%	Expenditure report signed by SM illustrating that 99% has been spent on free basic services	3	3	N/A	N/A	**CFO**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
By fully spending conditional Grant	By complying with Supply Chain Regulations and National Treasury Guidelines on procurement	Full Implementation of SCM system	% incurred of irregular expenditure on new procurement	MFV 5.1	0% of new irregular expenditure incurred on procurement in the 2024/25 FY R570 000	0%	0% of new irregular expenditure incurred on procurement in the 2024/25 FY	3	3	N/A	N/A	**CFO**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	processes											
	Conditional Grants	Financial Management Grant	% Expenditure on conditional Grants received	MFV 5.2	100% expenditure on conditional Grants received (FMG - R 1 700 000.	100% overall expenditure spent on conditional grant as follows: MIG-100% Energy-100% EPWP-	101% expenditure on conditional grant spent as follows: FMG-(R1 700 000/R1 700 000x100=100%) MIG-(R70 329 000/R70 329 000x100=100%)	3	3	N/A	N/A	**CFO, SM Infra, SM Comm**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					MIG - R 70 329 000. INEP - R 9 029 000. EPWP - R 1 989 000. Disaster - R 44 166 000)	100% FMG-100% INEP-100%	INEP-(R9 029 000/R9 029 000.45x100=100%) EPWP-(R1 989 000/R1 989 000x100=100%) Disaster-(R24 166 000/R24 166 000x100=100%)					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By ensuring timeous payment of creditors in compliance with MFMA	Expenditure and payroll management	Turnaround time taken for paying creditors.	MFV 5.3	30 days time taken for paying creditors	30 days	30 days' time taken for paying creditors	3	3	N/A	N/A	**CFO**
To manage, control and maintain all assets of the	By allocating adequate budget provision for repairs	GRAP Compliant Asset	% Expenditure of the operational budget allocated for	MFV 6.1	100% expenditure of the operational budget allocated for	93% expenditure on repairs and maintenan	Expenditure report signed by SM illustrating that 95% has been spent on repairs and	3	2	There was an upward adjustment to the budget in	The unfinished projects are catere	**CFO**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
municipality by June 2027	and maintenance	Register	repairs and maintenance.		repairs and maintenance	ce as follows: Infrastructure-100% Corporate Serv-56% BTO-86%	maintenance for the entire year, which is below the 100% annual target			response to the disaster however the projects could be not completed by 30 June	d for in the 2025/26 budget.	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By regularly updating the existing Asset Management System	Asset register	Updating of GRAP compliant asset register	MFV 6.2	Updated GRAP Compliant Asset Register	Updated GRAP compliant asset register. Proof of asset addition in the asset register	Updated GRAP Compliant Asset Register	3	3	N/A	N/A	**CFO**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By Fully Implementing an effective Fleet Management System	Fleet Management	Fully effective fleet management system	MFV 6.3	Updated Fleet Management Registers and effective fleet management system	N/A	Updated Fleet Management Registers and effective fleet management system	3	3	N/A	N/A	**CFO**
		KPA 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION 20%										

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
To ensure clean and accountable governance in the municipality by June 2027	By identifying, assessing, managing, monitoring & reporting fraud, compliance and risk exposure to the institution	Risk Management-Strategic and Operational Risk register	Number of updated risk registers (Fraud, ICT, Operational, National & Provincial Disaster and Strategic) submitted to the Risk	GGP 1.1	11 updated risk registers as follows: Operational-6, Fraud-1, Strategi1, ICT-1, National & Provencial Disaster-1 and Compliance-1 submitted	10	11 updated Risk regsters as follows: Fraud-1, ICT-1, Operational-6, National & Disaster-1, Strategic-1 & Compliance-1	3	3	N/A	N/A	**All SM's**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Management Committee		to Risk Management Committee							
	By developing 2023/2024 audit action plan based on AGSA report	Audit action plan	Number of reports on implementation of AGSA findings for 2023/24 FY	GGP 1.2	2 Reports on implementation of AGSA Findings for 2023/2024 FY	2	2 Reports on implementation of AGSA Findings for 2023/2024 FY	3	3	N/A	N/A	**All SM's**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By conducting anti-fraud and corruption awareness workshop to employees, councillors, and council traditional leaders	Fraud awareness campaign	Number of anti- fraud and corruption awareness workshops conducted per department, councillors and council traditional leaders	GGP 1.3	1 anti- fraud and corruption awareness workshop conducted in 6 departments, councillors and council traditional leaders	1	1 anti- fraud and corruption awareness workshop conducted in 6 departments, councillors and council traditional leaders. Attendance registers for the	3	3	N/A	N/A	

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							workshops are attached.					
	By developing 2024/2025 municipal litigation register	Legal cases	Number of updated reports on legal matters (litigation Trends) and their status with financial implication and legal opinion	GGP 1.4	4 updated reports on legal matters (litigation Trends) and their status with financial implications and legal	4	4 reports signed by MM, on the update of legal matters such as litigation Trends and their status with financial implications. Council	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			submitted to Council		opinion to Council		agendas are attached.					
	By conducting audit assignments as per approved Internal Audit	Audit Assignments and Adhoc assignments	Number of audit reports on assignments conducted as per approved Internal Audit Plan submitted to the Audit committee	GGP 1.5	20 audit reports on assignments conducted as per approved Internal Audit Plan submitted to the Audit committee	20	20 audited reports on assignments conducted as per approved Internal Audit Plan	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	Annual Plan of 2024/2025	Coordination of Audit Committee meetings	Number of Audit Committee meetings coordinated in 2024/2025 FY	GGP 1.6	Four (4) audit committee meetings and one (1) special audit committee meetings conducted for 2024/25 financial year	8 meetings held as follows: Risk committee meeting-4, attendance registers are attached and Audit committee meeting-4,	8 audit committee meetings conducted as follows: Special-3 Ordinary-5	4	4	Additional special meetings were convened to look at internal audit documents.	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						attendance registers are attached.						
		Coordination of Risk Committee Meetings	Number of Risk Committee Meetings Coordinated	GGP 1.6.1	4 Risk committee meetings coordinated	4	5 Risk committee meetings coordinated. Agenda and attendance virtual registers are attached.	3	3	There was a special meeting that was conducted to look at annual	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
										risk assessment		
	By coordinating implementation of MPAC activities as	Convening of MPAC site visits as per the approved	Number of projects coordinated or verified by MPAC in 2024/25 FY	GGP 1.7	24 Projects coordinated on project visits by MPAC	35	35 Projects visited by MPAC. Attached are signed quarterly reports by MPAC chair with pictures of projects visited	4	4	More projects were verified due to scope of work.	N/A	**SM Corp**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	per the Annual Plan	MPAC Annual Plan					and attendance registers.					
	By coordinating the sitting of council oversight structures	Coordination of oversight structures meetings	Number of coordinated council structures held in 2024/25	GGP 1.8	55 coordinated council structures held in 2024/25	100%	66 coordinated council structures held in 2024/25. Proof of submissions of reminders to oversight	3	3	Special meetings were conducted during the period under review.	N/A	**SM Corp**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							structures are attached.					
	By ensuring effective functionality of satellite units	Implementation of council resolutions Management of	% Implementation of all council resolutions due for the period under review	GGP 1.9	100% update on implementation of all council resolutions due for the period under review	100%	Quarterly report signed by SM illustrating that 100% update on implementation of all council resolutions have been done. Updated resolution	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		satellite units					registers are attached					
			Number of monitoring reports on service delivery and operational issues in the Satellite Offices (Gatyana and	GGP 1.10	8 monitoring reports on service delivery and operational issues reported in the Satellite Offices (Gatyana and	8 Reports on service delivery and operational issues for Satellite units with extended managem	8 Monitoring reports on service delivery and operational issues reported as follows: Xhorha unit-4 quarterly reports signed by SM and Gatyana	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Xhorha) submitted to Management		Xhorha) submitted to Management	ent agendas as follows: Gatyana-4 Xhorha-4	unit-4 quarterly reports signed by SM. Extended management agendas are attached.					
	By developing and reviewing Institutional	Development of Policies	Number of policies/strategies developed	GGP 2.1	5 policies developed as follows: Corporate Services-1 (	5 policies developed as follows: Community Services-	5 policies developed as follows: Community Services- 2	3	3	N/A	N/A	**SM Corporate serv**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	policies, strategies, plans and by-laws				arrested and imprisonment policy), Dev Planning-4.	2 Operations -1 Corporate services-1 Developmental Planning-1	Operations-1 Corporate services-1 Developmental Planning-1					**ices and SM Dev planning**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Number of workshops conducted on all approved municipal policies/code of conduct/By-Laws that relates to employees in all units (Dutywa,	GGP 2.2	6 Workshops conducted on all approved municipal policies/code of conduct that relates to employees at Dutywa, Xhorha and Gatyana	6	6 workshops conducted on all approved policies relating to employees. Signed quarterly reports with attendance registers are attached.	3	3	N/A	N/A	**SM Corp**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Xhora and Gatyana)									
To ensure that all municipal properties are properly registered and			Number of reviewed policies	GGP 2.3	102 reviewed policies Corporate Services – 42 Operations – 15 BTO – 27	104	106 reviewed policies Corporate Services – 43 Operations –17 BTO – 27	3	3		N/A	**All SM’s**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
effectively used by June 2027					Community Services – 7 Developmental Planning – 8 Infrastructure – 3		Community Services – 8 Developmental Planning – 8 Infrastructure – 3					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		Review al of strategies and plans	Number of reviewed strategies/ Plans	GGP 2.4	12 reviewed strategies/ Plans Operations – 4 BTO – 1 Developmental Planning - 1	3	12 reviewed strategies/ Plans Operations – 4 BTO – 1 Developmental Planning - 1 Community Services - 1	3	3	N/A	N/A	**SM Comm, SM Oper, SM Dev, CFO, SM Corp**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					Community Services - 1 Corporate Services -5		Corporate Services -5					
	By continually updating and reviewing lease register	Lease register	Number of property lease registers updated and reviewed	GGP 3.1	4 reports on property lease registers updated and reviewed and proof of submission	4	4 reports on property lease registers updated and reviewed and proof of submission to the Council	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					to the Council.							
To ensure adherence to sound environmental practices and to protect environmental sensitive	By Implementing climate change mitigation strategy	Climate change mitigation measures	Number of programs implemented as per Climate Change Strategy at ward 08 & 25	GGP 4.1	2 programs implemented as per Climate Change Strategy at ward 08 & 25	2	Reports signed by SM with pictures illustrating that Arbo-day was held at ward 8. Removal of Alien vegetation at ward 25 and Biodiversity Day	3	3	N/A	N/A	**SM Comm**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
areas by June 2027							at Msikithi Primary school. Attendance registers are attached.					
	By implementing the coastal management plan	Coastal Management Plan	Number of programs implemented as per the Coastal management plan in Coastal	GGP 4.2	3 Programs implemented as per the Coastal management plan (ward	3	Quarterly reports signed by SM illustrating that 3 programmes were implemented as	3	3	N/A	N/A	**SM Comm**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			areas (ward 19, 20, 22, 29 & 32)		19, 20, 22, 29 & 32)		per coastal management plan as follows: 19, 20, 22, 29 & 32					
	By implementing greening and beautification programme	Greening and Beautification programs	Number of greening and beautification programmes implemented at Dutywa	GGP 4.3	4 greening and beautification programmes implemented at Dutywa,Gaty	4	4 greening and beautification programmes implemented at Dutywa Gatyana and Xhorha.	3	3	N/A	N/A	**SM Comm**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	in three towns of Mbhash		Gatyana and Xhora		ana and Xhora		Pictures of before and after are attached.					
To ensure maximum and adequate land use management practices	By developing coherent spatial plan By Surveying properties	LSDF's	Number of developed coastal Local Spatial Development Framework (LSDF), ward 19	GGP 5.1	1 developed LSDF at ward 19	1	There is no information provided in the file	1	1	Non responsive bidders on RFQ bids	No remedial action for the target for the current year	**SM Dev**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
by June 2027											2024/25	
		Surveying at Ward 1, 13, 25	Number of surveyed properties in Ward 1,13,25	GGP 5.2	15 surveyed properties in Ward 1,13 & 25	20	15 final approved diagrams by office of Surveyor General	3	3	N/A	N/A	**SM Dev**
To strengthen and ensure	By strengthening the	Co-ordination of	Number of IGR meetings coordinated	GGP 6.1	4 IGR meetings coordinated	4	4 IGR meetings coordinated	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
coordination of integrated and joint planning with spheres of government by June 2027	functionality of IGR	IGR meetings										

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
To mainstream special programs into the municipality by June 2027	By implementing SPU strategy	Programmes for Designated groups as per SPU Strategy	Number of programs implemented for designated groups (Youth, Older persons, Persons with disability, Gender)	GGP 7.1	9 programs implemented for designated groups (4 Youth, 1 Older persons, 2 Persons with disability, 2 gender)	10 Programs implemented for designated groups as follows: Youth-4 Older Persons-2 Persons with	10 programs implemented for designated groups as follows: Youth-4 Older Persons-3 Person's with Disability-2 Gender-1	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
To promote ethical and moral transformation by June 2027						disability-2 Gender-2						
		Mayors Cup	Number of Mayoral Cup 2024/25 Tournaments hosted	GGP 7.2	1 Mayoral Cup 2024/25 Tournament hosted	1	1 Mayoral Cup 2024/25 Tournament hosted	3	3	N/A	N/A	**SM Oper**
	By implementing annual	Calendar of events	Number of calendar events	GGP 7.3	9 Calendar Days Commemorated	9	9 Calendar Days Commemorated as follows:	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	plans of designated groups in line with HIV/AIDS, STI and TB Strategy implementation plan		commemorated				Women's month, Mandela month, Heritage month, International day for Persons with Disability, 16 Days of activism, World AIDS day, Human rights day, Youth					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							month and Child Protection week					
		Programmes as per HIV/Aids, STI & TB Strategy Implem	Number of programmes as per HIV/AIDS, STI and TB strategy Implementation plan	GGP 8.1	3 programmes as per HIV/AIDS, STI and TB strategy Implementation plan	3	3 programmes implemented as per HIV/AIDS strategy or plan. Attached are signed quarterly reports by SM with pictures and attendance	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		entation Plan					registers on the implementation					
		Initiation awareness	Number of initiation programs conducted for young men	GGP 8.2	2 programs conducted	2	Signed quarterly reports by SM with pictures and attendance registers on 2 programmes implemented on initiation awareness for young men.	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		Support to Traditional Leaders	Number of Programs supported for Traditional Leaders	GGP 8.3	2 programs conducted for traditional leaders	2	Quarterly reports signed by SM on 2 programs conducted for traditional leaders. Pictures and attendance registers are attached.	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
To ensure strategic development, coordinated, integrated planning, budgeting, reporting and legislative compliance on	By coordinating development and alignment of IDP	Development of IDP	Date on which the 2025/2026 reviewed IDP is submitted to Council for approval	GGP 9.1	2025/26 Reviewed IDP submitted to Council for approval by 31 May 2025	Copy of Final IDP, Council extract dated May 2024.	Reviewed 2025/26 IDP and proof of submission to council dated May 2025	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
governance matters by June 2027												
	By coordinating the development and alignment of SDBIP with IDP	Implementation of SDBIP	Number of days by which the SDBIP is submitted to the Mayor for approval after approval of the	GGP 9.2	2025/2026 SDBIP submitted to the Mayor for approval within 28 days after approval of	Copy of Final SDBIP with approval by the Executive Mayor signed on	2025/26 SDBIP submitted to the Executive Mayor	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			IDP and budget		the IDP and budget	the 28th of June 2024						
To enhance and promote communication in all municipal activities by June 2027	By implementing communication plan as per communication strategy	Media Interviews	Number of media Interviews/activities Conducted	GGP 10.1	6 media Interviews/activities Conducted	17 media interviews/ activities conducted.	43 media interviews conducted with different platforms of media. Confirmation letters are attached.	5	5	Activities that were done resulted to wanting to know more about	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
										Mbhashe.		
			Number of legislated adverts/notices	GGP 10.2	19 adverts/notices	19	30 adverts/notices done	4	4	Programmes from other spheres of government and also internal program	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
										mes that resulted to more advertisements.		
		Development of newsletter	Turnaround time taken to distribute the developed newsletters to Gatyana,	GGP 10.3	20 days turnaround time taken to distribute the developed newsletters to Gatyana,	4 newsletters developed with proof that newsletter	20 days turnaround time taken to distribute the developed newsletters to Gatyana,	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Xhorha and Dutywa		Xhorha and Dutywa	s have been distributed within 20 days turnaround time	Xhorha and Dutywa					
		Communication activities	Number of communication activities conducted to support	GGP 10.4	40 communication activities conducted (Digital	40	Quarterly reports signed by SM illustrating that 40	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			institutional programs as per the communication plan based on the communication strategy ((Digital Poster production, social media post, Media article,		Poster production, social media post, Media article, branding, photography, PA System) to support 23 institutional programs as per the		communication activities were conducted					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			branding, photography,PA System)		communication plan based on the communication strategy (1 Youth, 1 Older person, 1 Mayors Cup, 1 HIV/AIDS,2 Wellness, 4							

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					SMME Roadshows, 5 Agricultural Roadshows, 1 Mayoral Imbizo, 1 MPAC roadshows, 1 IDP Budget/ PMS roadshows,1 Ilifa							

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					Lo'Mbhashe, 1 Boxing, 1 Tenza Beach Festival, 1 Horse Racing,1 Battle of Lurhwayizo							
	By managing customer queries	Customer Care	Turnaround time taken to attend and refer queries	GGP 10.5	72 hours' time taken to respond and refer queries	72 Hour's	72 hours' time taken to respond and refer queries to	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		Management	from communities		to departments (internal and external)		departments (internal and external)					
To ensure that all stakeholders participate in the affairs of the	By strengthening community participation	Ward Committee reports	Number of status quo reports on functionality of Ward Committees	GGP 11.1	4 status quo reports on functionality of Ward Committees	4	4 quarterly reports signed by SM on the functionality of ward committees.	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
municipality by June 2027.												
		Public Participation Programmes/ Meetings	Number of Public Participation programs coordinated (IDP/Budget/PMS Rep Forum, MPAC	GGP 11.2	7 Public Participation programs coordinated (4x IDP/Budget/PMS Rep	7 Public Participation programs coordinated as follows: IDP Rep forum-4	Signed quarterly reports with attendance registers for 7 public participation programs coordinated as follows:	3	3	N/A	N/A	**SM Oper**

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Roadshows, IDP Budget Roadshows and Mayoral Imbizo)		Forum,1x MPAC Roadshows, 1xIDP Budget Roadshows and 1x Mayoral Imbizo)	MPAC Roadshows-1 IDP & Budget Rep Forum-1 MPAC Roadshows-1	IDP/Budget/PMS Rep Forum-1 MPAC Roadshows-1 IDP Budget roadshows-1 And Mayoral Imbizo's-1					

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2023/24 ACTUAL PERFORMANCE	2024/25 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By strengthening community participation	Fora Meetings	Number of fora meetings held in 2024/25 FY	GGP 12.1	16 fora meetings LCF-4, community safety forum-4, Transport forum-4 and Waste management forum-4 held in 2024/25,	16	LCF-4 Community Safety- 4 Transport-11 Waste Management- 4	3	5	More programmes took place in collaboration with department of transport	N/A	**SM Oper, SM Comm, SM Infra**

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CHAPTER 5

PERFORMANCE OF SERVICE PROVIDERS DURING THE 2024/25 FINANCIAL YEAR

INTRODUCTION

Municipalities are required to assess the performance of service providers appointed in each financial year. In this regard, an internal performance assessment was conducted by Section 56 managers on various projects targeted for the 2024/25 financial year. Service Providers and Contractors are rated on the following categories:

Below Standard - The Contractor/Service Provider did not meet the basic requirements as spelt out in the tender or contract. This may result in the contract being cancelled and/or the retention fee being withheld from the contractor. The Contractor may be asked to rectify the problem, or the contract may be cancelled and another Contractor/Service Provider may be appointed to complete the contract/ project.

Acceptable performance - The Contractor/Service Provider completed the project and met the basic requirements of the tender/contract. The standard of work was good enough, passable, or adequate in terms of the requirements by the MLM.

Excellent performance - The Contractor/Service Provider completed the work above the standard required. The requirements of the tender were achieved above the expectation of the MLM. There is a high quality of work and outstanding results were achieved.

ANALYSIS OF THE SUPPLY CHAIN MANAGEMENT BID PROCESS WITHIN MLM

CHAPTER 4

Number of Bids on Contract Register	Number of Awards made	Number of completed projects	Number of Bids in Tendering Process	Number of projects still in progress	Cancelled Projects
184	**27**	**09**	**02**	**184**	**0**

The purpose of this analysis is to determine the percentage of bids awarded as at the end financial year. This assessment is used to measure the effectiveness of the MLM's Supply Chain processes.

Results of performance assessment of service providers

Below Standard – 1 %

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Of all the projects awarded, as at 30 June 2025 in terms of performance levels the following summary reflects the number of projects rated as below standard.

Acceptable performance – 55 %

Of all the projects awarded as at **30 June 2025** in terms of performance levels the following summary reflects the number of projects rated as acceptable.

Excellent performance – from 55%-86%

Of all the projects awarded, as at **30 June 2025** in terms of performance levels the following summary reflects the number of projects rated as excellent.

A copy of the Contract Register for the 2024/25 financial year is attached hereto as **Annexure "A"**

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Below Standard – 1 % POOR (No of projects =1) Of all the projects awarded, as at 30 June 2025 in terms of performance levels the following summary reflects the number of projects rated as below standard				
DESCRIPTION	**NAME OF SERVICE PROVIDER**	**TENDER/BID/ PROJECT NUMBER**	**APPOINMENT DATE**	**REASONS**
CONSTRUCTION OF WARD 01 SPORT FACILITY	**DINTWA TRADING**	**MBH/PSP/0015/2014-15**	**22 November 2008**	**Intention to termonate was sent however the contract actioned remedial actions**

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NO	DESCRIPTION	NAME OF SERVICE PROVIDER	TENDER/BID/ PROJECT NUMBER	APPOINMENT DATE	REASONS
	Acceptable performance -55% (no of projects =47) Of all the projects awarded as at 30 June 2025 in terms of performance levels the following summary reflects the number of projects rated as acceptable.				
1	ACCOMMODATION MANAGEMENT SERVICES BY A PANEL OF TWO SERVICE PROVIDERS FOR A PERIOD OF THREE (03) YEARS: MBH/BTO/0006/2022-23	XL ALOE TRAVEL	MBH/BTO/0006/2022-23	01 July 2024	Acceptable perfomance they respond to issues raised
2	SUPPORT AND MAINTENANCE OF MOVABLE & IMMOVABLE ASSET REGISTER FOR THE PERIOD OF THREE (03) YEARS	A2A KOPANO INCORPORATED	MBH/BTO/0017/2023-24	11 October 2024	Acceptable perfomance they respond to issues raised
3	ALTERATION AND ADDITION TO DUTYWA TAXI & BUS RANK.	LM DEVELOPMENTS	MBH/MIG/0008/2024-25	08 November 2024	Acceptable perfomance they respond to issues raised
4	General Valuation roll compiltaion	DDP VALUERS	MBH/BTO/0005/2024-25	12 December 2024	Acceptable perfomance they respond to issues raised
5	PROPOSAL FOR SERVER VIRTUALISATION SOLUTIONS, DISASTER RECOVERY AND FAILOVER FOR PERIOD OF THREE	AFROCENTRIC INTELLECTUAL PROPERTY (PTY) LTD	MBH/CORP/0014/2023-24	17 February 2025	Acceptable perfomance they respond to issues raised
6	PROVISION , IMPLEMENTATION AND MAINTENANCE OF INTERNAL AUDIT MANAGEMENT SOFTWARE SOLUTIONS FOR PERIOD OF THREE	SURTECH SOLUTIONS RS	MBH/MM/0001/2024-25	11 February 2025	Acceptable perfomance they respond to issues raised
7	PROVISION OF INSURANCE SERVICES FOR MBHASHE LM'S ASSETS FOR PERIOD OF THREE (03) YEARS	Bunono Risk Managers (PTY) LTD t/a Momentum Consult	MBH/BTO/0009/2024-25	19 February 2025	Acceptable perfomance they respond to issues raised
8	HIRING OF ADDITIONAL 1 X SERVICE PROVIDERS FOR BACK - UP CONSTRUCTION MACHINERY FOR THE MUNICIPALITY FOR PERIOD OF THREE (03) YEARS	Ekene Investment CC	MBH/INFR/0003/2024-25	19 February 2025	Acceptable perfomance they respond to issues raised
	PANEL OF TRAINING AND SPECIAL NEED PROVIDERS FOR MUNICIPAL EMPLOYEES AND COUNCILLORS FOR THE PERIOD OF THREE (03)	LOJA TRADING CC		18 March 2025	Acceptable perfomance they respond to issues raised

	DESCRIPTION	NAME OF SERVICE PROVIDER	TENDER/BID/ PROJECT NUMBER	APPOINMENT DATE	REASONS
22	PROVISION AND DEPLOYMENT OF EMAIL SOLUTION AND MIGRATION OF MICROSOFT OFFICE 365 TO CLOUD PLATFORM FOR A PERIOD	AFROCENTRIC INTELLECTUAL PROPERTY (PTY) LTD	MBH/CORP/0010/2024-25	12 June 2025	Acceptable perfomance they respond to issues raised
23	PANEL OF CONTRACTORS FOR CONSTRUCTION OF ROADS & BRIDGES Construction of ward 13 sport facility	SINCEDE CONSULTING SERVICES	MBH/MIG/0023/2022-23	11 August 2024	Acceptable perfomance they respond to issues raised
24	PANEL OF CONTRACTORS FOR CONSTRUCTION OF ROADS & BRIDGES -Upgrade of Ngumbela Sport facility	VMT CIVILS	MBH/MIG/0023/2022-23	26 September 2024	Acceptable perfomance they respond to issues raised
25	PANEL OF CONTRACTORS FOR CONSTRUCTION OF ROADS & BRIDGES -Construction of Bolish to Nqabarha	MVI CONSTRUCTION AND MAINTENANCE	MBH/MIG/0023/2022-23	26 September 2024	Acceptable perfomance they respond to issues raised
26	PANEL OF CONTRACTORS FOR CONSTRUCTION OF ROADS & BRIDGES -CONSTRUCTION OF BOBANI ACCESS ROAD	SIVEST CIVILS & EARTHWORKS	MBH/MIG/0023/2022-23	31 October 2024	Acceptable perfomance they respond to issues raised
27	PANEL OF CONTRACTORS FOR CONSTRUCTION OF ROADS & BRIDGES -CONSTRUCTION OF NDUDUMENI TO TYWAKA ACCESS	Ekene Investment CC	MBH/MIG/0023/2022-23	22 November 2024	Acceptable perfomance they respond to issues raised
28	PANEL OF CONTRACTORS FOR CONSTRUCTION OF ROADS & BRIDGES -PAVING CONSTRUCTION OF TOMPSON STREET	LIYEMA CIVIL PROJECTS (PTY) LTD	MBH/MIG/0023/2022-33	25 November 2024	Acceptable perfomance they respond to issues raised
29	PANEL OF CONTRACTORS OF MBHASHE ELECTRIFICATION FOR	ELECTRICAL CONTRACTORS	MBH/INEP/0024/2022-23	29 October 2024	Acceptable perfomance they respond to issues raised
30	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	LOJA TRADING	MBH/P&D/0021/2022-23	07 11 2024 to 10 april 2025	Acceptable perfomance they respond to issues raised
31	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	NOWONGILE TRADING	MBH/P&D/0021/2022-23	19 08 2024 to 12 march 2025	Acceptable perfomance they respond to issues raised
32	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	MANGWEVU BUSINESS (PTY) LTD	MBH/P&D/0021/2022-23	18 09 2024	Acceptable perfomance they respond to issues raised
33	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	RIATILE TRADING AND OROJECTS	MBH/P&D/0021/2022-23	25 09 2024 to 14 may 2025	Acceptable perfomance they respond to issues raised
34	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	HS CEBISA	MBH/P&D/0021/2022-23	03 OCT 2024 to 25 april 25	Acceptable perfomance they respond to issues raised
35	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	AJAY BAVULELE	MBH/P&D/0021/2022-23	30 Oct 2024 to 05 Dec 2024	Acceptable perfomance they respond to issues raised

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NO	DESCRIPTION	NAME OF SERVICE PROVIDER	TENDER/BID/ PROJECT NUMBER	APPOINMENT DATE	REASONS
Excellent performance – from 55%-86% (no of projects =52) Of all the projects awarded, as at 30 June 2025 in terms of performance levels the following summary reflects the number of projects rated as excellent.					
1	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY AND DELIVERY FOR THE PERIOD OF TWO (02) YEARS	CUSACK ENTERPRISE MANAGEMENT SERVICES	MBH/P&D/0021/2022-23	01 July 2024	Perfom exceedingly well
2	HIRING OF ADITIONAL 3 X SERVICE PROVIDERS FOR BACK-UP CONSTRUCTION MACHINERY FOR THE PERIOD OF THREE (03) YEARS	ILITHA (PTY) LTD	MBH/INFR/0003/2024-25	11 October 2024	Perfom exceedingly well
3	HIRING OF ADITIONAL 3 X SERVICE PROVIDERS FOR BACK-UP CONSTRUCTION MACHINERY FOR THE PERIOD OF THREE (03) YEARS	AVEO CONSTRUCTION T/A VALOTHRON 57	MBH/INFR/0003/2024-25	14 October 2024	Perfom exceedingly well
4	TRAFFIC LAW ENFORCEMENT DIGITIZATION PROJECT INCLUSIVE OF TRAFFIC CONTRAVENTION SYSTEM AND OTHER COMPONENTS OR SERVICES FOR A PERIOD OF 36 MONTHS	DUNAMIS EMPORIUM SERVICES	MBH/COM/0006/2024-25	08 November 2024	Perfom exceedingly well
5	General Valuation roll compiltaion	DDP VALUERS	MBH/BTO/0005/2024-25	12 December 2024	Perfom exceedingly well
6	ADDITIONAL 3X ACCREDITED SERVICE PROVIDER TO DO SERVICES AND REPAIRS OF EARTHMOVING MACHINERY FOR	Heed SA (PTY) LTD	MBH/INFR/0001/2024-25	11 February 2025	Perfom exceedingly well
7	PANEL OF CONTRACTORS FOR CONSTRUCTION OF ROADS & BRIDGES -CONSTRUCTION OF ZIQU TO NOKOMISI	Kopanong Investment Projects	MBH/MIG/0023/2022-31	09 December 2024	Perfom exceedingly well
8	PANEL OF CONTRACTORS FOR CONSTRUCTION OF ROADS & BRIDGES -CONSTRUCTION OF WILLOWVALE TAXI RANK (WARD 25)	KOPANONG INVESTMENT PROJECTS	MBH/MIG/0023/2022-32	03 April 2025	Perfom exceedingly well
9	PANEL OF CONTRACTORS FOR CONSTRUCTION OF ROADS & BRIDGES -CONSTRUCTION OF EMKHWEZENI TO NQADU ACCESS	Kwandie Trading CC	MBH/MIG/0023/2022-28	04 November 2024	Perfom exceedingly well
10	PANEL OF CONTRACTORS FOR CONSTRUCTION OF ROADS & BRIDGES -CONSTRUCTION OF NTILINI TO BOTWE ACCESS ROAD	Mkoko Transport (PTY) LTYD	MBH/MIG/0023/2022-26	31 October 2024	Perfom exceedingly well
[illegible]	PANEL OF CONTRACTORS OF MBHASHE ELECTRIFICATION FOR [illegible]	[illegible]	[illegible]	08 July 2024	Perfom exceedingly well

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	DESCRIPTION	NAME OF SERVICE PROVIDER	TENDER/BID/ PROJECT NUMBER	APPOINMENT DATE	REASONS
20	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	NDINISA D AND D	MBH/P&D/0021/2022-23	07 Nov 2024 to 11 June 2025	Perfom exceedingly well
21	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	933 CONSTRUCTION	MBH/P&D/0021/2022-23	31 Oct 2024 to 02 June 2025	Perfom exceedingly well
22	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	ISIKOLETHU HOLDINGS	MBH/P&D/0021/2022-23	15 July 2024 to 28 June 2025	Perfom exceedingly well
23	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	MUNGU MULTIMEDIA	MBH/P&D/0021/2022-23	30 Sep 2024 to 03 Jun 2025	Perfom exceedingly well
24	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	BULELAMADIZE HOLDINGS	MBH/P&D/0021/2022-23	28 10 2024 to 30 June 2025	Perfom exceedingly well
25	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	GIFT AND SONS	MBH/P&D/0021/2022-23	15 July 2024 to 17 April 2025	Perfom exceedingly well
26	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	IKAMVA LAMASANGO BAKERY	MBH/P&D/0021/2022-23	28 October 2024 to 10 april 2025	Perfom exceedingly well
27	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	KHUZE SA	MBH/P&D/0021/2022-23	13 sep 24 to 02 june 2025	Perfom exceedingly well
28	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME FOR SUPPLY & DELIVERY FOR THE PERIOD OF TWO (02) YEARS	MAKUKHANYE BESUTHU	MBH/P&D/0021/2022-23	10 oct 2024 to 28 june 2025	Perfom exceedingly well
29	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME : CONSTRUCTION AND MAITENANCE FOR THE PERIOD OF THREE (03)	AMANGQISINI AMAHLE	MBH/P&D/0022/2022-23	14 Aug 2024-11 Nov 2024	Perfom exceedingly well
30	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME : CONSTRUCTION AND MAITENANCE FOR THE PERIOD OF THREE (03)	ZIYAMBOMBA TRADING	MBH/P&D/0022/2022-23	14 08 2024	Perfom exceedingly well
	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME :			21 Aug 2024 to 30 April	Perfom

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	DESCRIPTION	NAME OF SERVICE PROVIDER	TENDER/BID/ PROJECT NUMBER	APPOINMENT DATE	REASONS
40	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME : CONSTRUCTION AND MAITENANCE FOR THE PERIOD OF THREE (03)	Willskosa (PTY)LTD	MBH/P&D/0022/2022-23	17 Oct 24	Perfom exceedingly well
41	INCUBATION PROGRAMME : CONSTRUCTION AND MAITENANCE FOR THE PERIOD OF THREE (03) YEARS-REHABILITATION OF HADI ACCESS	Willskosa (PTY) LTD	MBH/P&D/0022/2022-23	09 Oct 24	Perfom exceedingly well
42	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME : CONSTRUCTION AND MAITENANCE FOR THE PERIOD OF THREE (03)	Ilunga Legwara trading Enterprise	MBH/P&D/0022/2022-23	11 Sep 24	Perfom exceedingly well
43	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME : CONSTRUCTION AND MAITENANCE FOR THE PERIOD OF THREE (03)	RISING STARS PARTNERS	MBH/P&D/0022/2022-23	30 May 2025	Perfom exceedingly well
44	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME : CONSTRUCTION AND MAITENANCE FOR THE PERIOD OF THREE (03) YEAR-REHABILITATION OF NKETSU	VEZI CONSTRUCTION AND PRO	MBH/P&D/0022/2022-23	12 Sep 24	Perfom exceedingly well
45	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME : CONSTRUCTION AND MAITENANCE FOR THE PERIOD OF THREE (03)	SHERPERD CIVIL AND BUILDING	MBH/P&D/0022/2022-23	09 Dec 24	Perfom exceedingly well
46	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME : CONSTRUCTION AND MAITENANCE FOR THE PERIOD OF THREE (03)	WEZENI TRADING AND CONSTR	MBH/P&D/0022/2022-23	12 Sep 24	Perfom exceedingly well
47	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME : CONSTRUCTION AND MAITENANCE FOR THE PERIOD OF THREE (03)	PIXITYPE (PTY) LTD	MBH/P&D/0022/2022-23	10 Oct 24	Perfom exceedingly well
48	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME : CONSTRUCTION AND MAITENANCE FOR THE PERIOD OF THREE (03)	HVM INVESTMENT (PTY) LTD	MBH/P&D/0022/2022-23	08 Nov 24	Perfom exceedingly well
49	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME : CONSTRUCTION AND MAITENANCE FOR THE PERIOD OF THREE (03)	AMAJAMA CONSTRUCTION	MBH/P&D/0022/2022-23	10 October 2024	Perfom exceedingly well
50	MBHASHE LOCAL MUNICIPALITY INCUBATION PROGRAMME : CONSTRUCTION AND MAITENANCE FOR THE PERIOD OF THREE (03)	SEQUENCE WEALTH HOLDINGS	MBH/P&D/0022/2022-23	09 12 2024	Perfom exceedingly well
	MBHASHE LOCAL MUNICIPALITY				

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CHAPTER 4 –ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

The organizational Development is a key transformation agent dealing with the structure of the Municipality to ensure that it remains aligned to its strategy, job evaluation process and change management philosophy. Organizational Development as a function is placed under Corporate Services Department

T4.0.1

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COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Mbhashe Local Municipality employed 265 officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function

TOTALS, TURNOVER AND VACANCIES

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Description	Year -1	Year 0			
	Employees No.	Approved Posts No.	Employees	Employees No.	Approved Posts No.
Electricity	5	3	Electricity	5	3
Solid Waste Management	105	10	Solid Waste	105	10

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			Management		
Housing	2	2	Housing	2	2
Infrastructure	42	15	Infrastructure	42	15
Local Economic Development	11	7	Local Economic Development	11	7
ICT	7	3	ICT	7	3
Archives (Administration)	17	11	Archives (Administration)	17	11

Human Resource Services	08	08	Human Resource Services	08	08
BTO Services	18	22	BTO Services	18	22
Police (Traffic Officers)	18	4	Police (Traffic Officers)	18	4
Law Enforcement	12	2	Law Enforceme nt	12	2
Licensing Services	05	05	Licensing Services	05	05

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Municipal Managers Office	26	24	Municipal Managers Office	26	24
Total	**276**	**114**	Total	**276**	**114**

T4.1.1

Vacancy Rate: Year 0			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S56 Managers (excluding Finance Posts)	5	2	0%

Middle management: Levels 13-15 (excluding Finance Posts)	16	0	0%
Other Employees	256	3	1.2%
Total	**95**	**6**	0,1%

T4.1.2

Turn-over Rate

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Details	**Details** No.	**Details** No.	**Details**
Year -2	Year -2	Year -2	Year -2
Year -1	Year -1	Year -1	Year -1
Year 0	Year 0	Year 0	Year 0

T4,1,3

COMMENT ON VACANCIES AND TURNOVER:

CHAPTER 4

In order to ensure reasonable standardisation and consistency in the handling of the workforce, staff policies and procedures are developed and workshops for employees are held. These policies & procedures are reviewed as the need arises or annually. They are implemented together with the condition of service which are developed at central level. During the period under review, 34 policies have been reviewed. This was done through transparent and consultative process involving Councillors and Labour through workshops and Local Labour Forum

T4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

CHAPTER 4

Section 67 of the Municipal Structures Act 2000 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998. Workforce management is a core function of each line manager at Mbhashe Local Municipality.

In order to ensure reasonable standardization and consistency in the handling of the workforce, staff policies and procedures are developed and workshops for employees are held. These policies & procedures are reviewed as the need arises or annually.

Conditions of service of senior managers are regulated and promulgated by the Minister of Cooperative Governance. All employees below section 56 level are negotiated for at a central level by the National and Provincial Divisions of the South African Local Government Bargaining Council (SALGBC) and, where relevant, at a local level between management and the representative unions SAMWU and IMATU i.e Local Labour Forum.

T4.2.0

CHAPTER 4

4.2 POLICIES

T4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

During the period under review, thirty- three (34) policies have been reviewed. This was done through a transparent and consultative process, involving Councillors through a workshop and Labour through the Local Labour Forum. The reviewed and newly developed policies went to council for adoption before implementation

T4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

CHAPTER 4

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	60	5	8.33%	12	60
Temporary total disablement					
Permanent disablement					
Fatal					
Total	60	5	8.33%	12	60
					T4.3.1

HR POLICIES AND PLANS				
	Name of Policy	**Completed**	**Reviewed**	**Date adopted by council or comment on failure to adopt**
		%	**%**	
1.	Recruitment, Selection & Appointment Policy	100%	100%	12/06/2024
2.	Subsistence and travelling Policy	100%	100%	12/06/2024
3.	Alcohol and Substance Abuse Policy	100%	100%	12/06/2024
4.	Skills Development Policy	100%	100%	12/06/2024
5.	Succession Planning and Retention Policy	100%	100%	12/06/2024
6.	Employment Equity Policy	100%	100%	12/06/2024
7.	Promotion, Transfer and Acting Allowance Policy	100%	100%	12/06/2024
8.	Abscondment Policy	100%	100%	12/06/2024
9.	Placement policy	100%	100%	12/06/2024

10.	Residential Allowance policy	100%	100%	12/06/2024
11.	Occupational Health and Safety policy	100%	100%	12/06/2024
12.	Harassment in the workplace policy	100%	100%	12/06/2024
13.	Workplace on HIV & AIDS Policy	100%	100%	12/06/2024
14.	Dress Code Policy	100%	100%	12/06/2024
15.	Smoking Policy	100%	100%	12/06/2024
16.	Whistle Blowing policy	100%	100%	12/06/2024

17.	Councilor and Employee Assistance	100%	100%	12/06/2024
18.	Attendance and punctuality	100%	100%	12/06/2024
19.	Bereavement policy	100%	100%	12/06/2024
20.	Disability Policy	100%	100%	12/06/2024
21.	Employee Induction policy	100%	100%	12/06/2024
22.	Incapacity policy	100%	100%	12/06/2024
23.	Job Evaluation policy	100%	100%	12/06/2024

24.	Exit Management and Termination policy	100%	100%	12/06/2024
25.	Individual PMDS Policy	100%	100%	12/06/2024
26.	Leave Management Policy	100%	100%	12/06/2024
27.	Fire Evacuation Policy	100%	100%	12/06/2024
28.	Overtime Policy	100%	100%	12/06/2024
29.	Personal Protective Equipment Policy	100%	100%	12/06/2024
30.	Rewards, Gifts & Favours Policy	100%	100%	12/06/2024

T4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

During the period under review, thirty (30) policies have been reviewed. This was done through a transparent and consultative process, involving Councillors through a workshop and Labour through the Local Labour Forum. The reviewed and newly developed policies went to council for adoption before implementation

T4.2.1.1

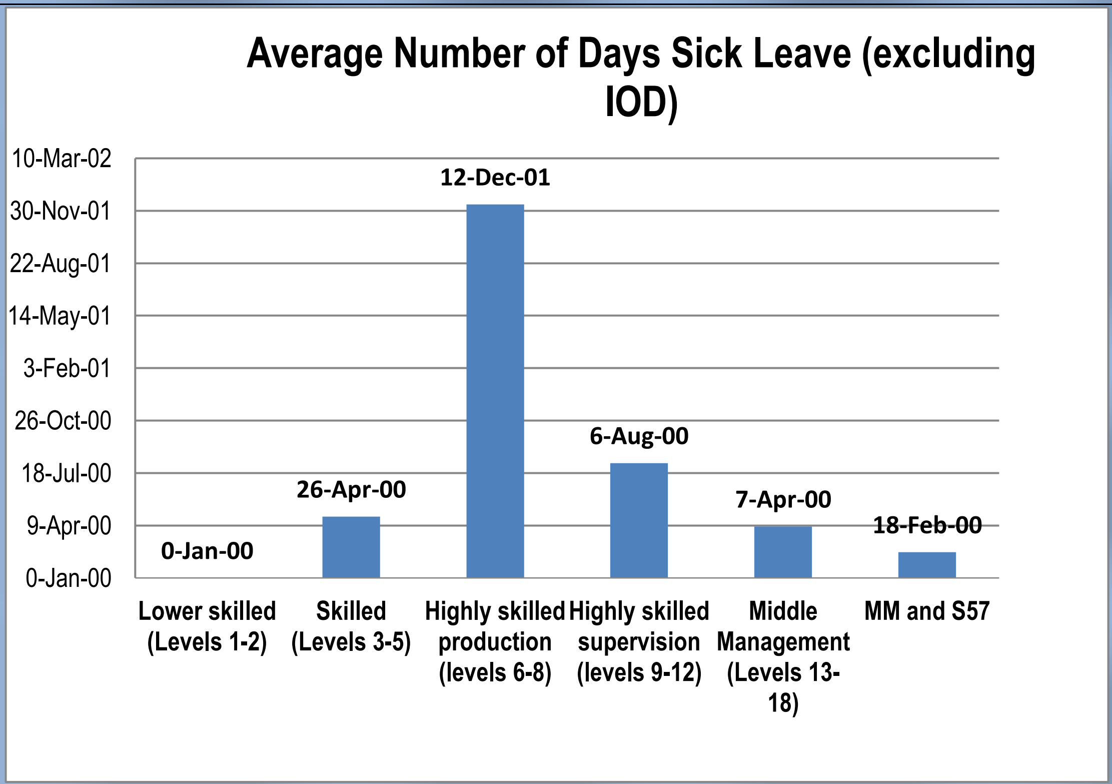
Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification % No.	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per employees Days	Estimated cost

Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	112	7%	30	55		
Highly skilled production (levels 6-8)	615	15%	75	125		
Highly skilled supervision (Levels 9-12)	313	10%	32	62		

Senior Management Levels 13-15)	67	5%	4	18		
MM and S57	51	0	3	7		
Total	801	37	144	267		

T4.3.2

CHAPTER 4


Average Number of Days Sick Leave (excluding IOD)
10-Mar-02
30-Nov-01
22-Aug-01
14-May-01
3-Feb-01
26-Oct-00
18-Jul-00
9-Apr-00
0-Jan-00
0-Jan-00
26-Apr-00
12-Dec-01
6-Aug-00
7-Apr-00
18-Feb-00
Lower skilled (Levels 1-2)
Skilled (Levels 3-5)
Highly skilled production (levels 6-8)
Highly skilled supervision (levels 9-12)
Middle Management (Levels 13-18)
MM and S57

T4.3.3

CHAPTER 4

COMMENT ON INJURY AND SICK LEAVE:

Although there were no injuries during the year under review the municipality strengthened the implementation of policies so as to avoid any workplace injuries working together with the Department of Labour in order to ensure safety in the workplace. The Occupational Health and Safety Committee work hand in hand with the management to make sure that safety measures are in place. Sick leave is monitored closely and trends are identified. Leave Management Reconciliation is prepared and monitored to manage sick leave shortcomings.

Number and Period of Suspensions

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Manager Land & Housing	Alleged illegal disposal of land	18 March 2025	Investigation finalized, matter has commenced and new date set for continuation.	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

	T4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	**Nature of Alleged Misconduct and Rand value of any loss to the municipality**	**Disciplinary action taken**	**Date Finalised**
PMU Manager	Financial Misconduct Value R16 000 000	To be commenced	N/A
			T4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

There were no suspension or cases of financial misconduct in the year under view.

T4.3.7

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within group %

CHAPTER 4

				R'000	
Lower Skilled (Levels 1-2)	Female	0	0		
	Male	0	0		
Skilled (Levels 3-5)	Female	0	0		
	Male	3	3		
Highly skilled production (levels 6-8)	Female	3	3		
	Male	1	1		
Highly skilled supervision (Levels 9-12)	Female	6	6		
	Male	5	6		

Middle management	Female	0	0		
	Male	0	0		
MM and S57	Female	3	3		
	Male	4	4		
Total		25	25	0	

T4.4.1

COMMENT ON PERFORMANCE REWARDS:

In terms of regulation 8 of the Local Government: Municipality Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers. All Senior Managers appointed in terms of Section 54 A and 56 of the MSA are on fixed-term performance based contracts.

All Senior Managers have signed Performance Agreements. Performance assessments have been conducted and performance bonuses were paid. The individual performance management system has been cascaded to lower levels of employees from TG 18 to TG 3, and all employees signed performance agreements.

T4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a Municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

One of the key programmes was the implementation of the Workplace skills Plan wherein employees and unemployed youth were trained and acquired skills. A plan was developed and submitted to the Local Government SETA. Some capacity building programmes were implemented in the year for both officials and councillors. Unemployed graduates were taken in as Learners in departments to assist them with workplace exposure. In line with the Council's Financial Study Assistance , a considerable number of employees were offered financial study assistance to further enhance themselves. A Panel of Service Providers was appointed so as to make training and development much easier for employees and councillors.

T4.5.0

CHAPTER 5

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	**Gender**	**Employees in post as at 30 June Year 0**	**Number of skilled employees required and actual as at 30 June Year 0**											
			Learnerships			**Skills programmes & other short courses**			**Other forms of training**			**Total**		
		No.	**Actual: End of Year -1**	**Actual: End of Year 0**	**Year 0 Target**	**Actual: End of Year -1**	**Actual: End of Year 0**	**Year 0 Target**	**Actual: End of Year -1**	**Actual: End of Year 0**	**Year 0 Target**	**Actual: End of Year -1**	**Actual: End of Year 0**	**Year 0 Target**
MM and s57	Female	3	0	0	0	0	3	0	0	0	0	0	3	0
	Male	4	0	0	0	0	4	0	0	0	0	0	4	0
Councillors,	Female	32	0	3	0	0	28	0	0	1	0	0	1	0

	Male	33	0	3	0	0	28	0	0	2	0	0	32	0
Managers	Female	6	0	0	0	0	5	0	0	1	0	0	6	0
	Male	10	0	1	0	0	7	0	0	0	0	0	8	0
Technicians, foremans ,artisans, inspectors &drivers	Female	7	0	0	0	0	2	0	0	5	0	0	6	0
	Male	21	0	0	0	0	5	0	0	0	0	0	5	0
Professionals	Female	19	0	2	0	0	10	0	0	6	0	0	18	0
	Male	11	0	2	0	0	7	0	0	2	0	0	11	0
Clericals	Female	40	0	6	0	0	13	0	0	5	0	0	23	0
Community service workers	Male	36	0	0	0	0	4	0	0	5	0	0	9	0
	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	28	0	0	0	0	13	0	0	0	0	0	13	0

Operators		52	0	0	0	0	6	0	0	30	0	0	36	0
	Male	28	0	0	0	0	4	0	0	0	0	0	4	0
Elementary workers	Female	**135**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Male	**195**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Sub total	**Female**	**330**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Male	3	0	0	0	0	3	0	0	0	0	0	3	0
Total		4	0	0	0	0	4	0	0	0	0	0	4	0 **T4.5.1**

Total number trained for councillors- 65

Total number of trained staff-265

Financial Competency Development: Progress Report*						
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 Regulation 16 (Regulation 14(4)(f))**	**Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))**
Financial Officials						
Accounting officer	1	0	1	0	1	1
Chief financial officer	1	0	1	0	1	1
Senior managers	5	0	5	0	5	5
Any other financial officials	0	0	0	0	0	0
Supply Chain Management Officials	**0**	**0**	**0**	**0**	**0**	**0**
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	1	0	0	0	0	1

TOTAL	**8**	**0**	**0**	**0**	**8**	**8**
						T4.5.2

Reporting on Training Expenditure for 01 July 2023 – 30 June 2024

Reporting on Training Experience				
Funding source	Building Spent-Employed	Budget Unemployed – Unemployed	Committee Spent – EMPLOYED	Committed Spent-Unemployed
Mandatory Grant Funds	R288 644,79	0	R288 644.79	0
Outstanding Mandatory Grant funds from previous year	0	0	0	0
Discretionary Grants funds	0	R216 000	R216 000	0
Additional funding (Municipality/entity, donor funds, other government funds e.t.c.	R2 500 000	R1 500 000	R1 500 000	0
Total	R2 788 644,79	R1 716 000	R2 004 644,79	0

T4.5.3

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The municipality managed to appoint a Panel Of Service Providers after struggling to get qualified bidders after several advertisements. This resulted into a massive implementation of training interventions and as such a number of employees and councillors were trained in different programmes. The municipality is prioritizing skills development and as such it is budgeted for and all employees are encouraged to submit their Skills Audit forms and even the Training Committee make use of the forms when prioritizing.

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The municipality has ensured that the workforce expenditure is kept within the accepted proportions in relation to capital expenditure. Grants meant for service delivery are not used for operational expenditure.

T4.6.0

4.6 EMPLOYEE EXPENDITURE

Reporting on Training Experience				
Funding source	Building Spent-Employed	Budget Unemployed – Unemployed	Committee Spent – EMPLOYED	Committed Spent-Unemployed
Mandatory Grant Funds	R288 644,79	0	R288 644.79	0
Outstanding Mandatory Grant funds from previous year	0	0	0	0
Discretionary Grants funds	0	R216 000	R216 000	0

Additional funding (Municipality/entity, donor funds, other government funds e.t.c.	R2 500 000	R1 500 000	R1 500 000	0
Total	R2 788 644,79	R1 716 000	R2 004 644,79	0

T4.6.1

COMMENT ON WORKFORCE EXPENDITURE:

Delete Directive note once comment is complete – Explain the spending pattern in the context of the actual and two previous years plus the budget year. Refer to implications for workforce ratio in Chapter 5. Comment on factors influencing workforce expenditure during the year.

T4.6.1.1

NUMBER OF EMPLOYEES WHOS SALARIES WERE INCREASED DUE TO THE POSITIONS BEING UPGRADED

None

EMPLOYEES WHOS SALARIES LEVEL EXCEED THE GRADE DETERMINE BY JOB EVALUATION

None

DISCLOSURE OF FINANCIAL INTEREST BY EMPLOYEES

All section 56 managers, all Bid Committee members, Employees and SCM officials have declared their financial interest.

T4.6.2

WORKFORCE/PERSONNEL EXPENDITURE FOR FINANCIAL YEAR 2023/2024

R 126 265 245

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	**Gender**	**Total**
Lower skilled (Levels 1-2)	Female	
	Male	
Skilled (Levels 3-5)	Female	
	Male	
Highly skilled production (Levels 6-8)	Female	
	Male	
Highly skilled supervision (Levels9-12)	Female	
	Male	
Senior management (Levels13-16)	Female	
	Male	
MM and S 57	Female	
	Male	
Total		0
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the		T4.6.2

There are no employees whose salary levels were increased during the financial year of 2023/24.

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	**Number of employees**	**Job evaluation level**	**Remuneration level**	**Reason for deviation**
				T4.6.3

There are no employees whose salary levels were increased during the financial year of 2024/25.

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

Although the positions were upgraded they were not affected financially as they were well above the brackets of the Task grades. The municipality has evaluated all the outstanding posts and as the Organogram has been reviewed, the maintenance stage will start.
T4.6.5

DISCLOSURE OF FINANCIAL INTEREST BY EMPLOYEES
All section 56 managers, all Bid Committee members, Employees and SCM officials have declared their financial int
T4.6.6

CHAPTER 5

CHAPTER 4

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION:

The municipality continues to closely monitor its financial health status to ensure effective and efficient financial administration. During the year under review the municipality embarked on various initiatives to try and improve financial management, these included initiatives on increasing debt collection by selecting the top 20 debtors per category and following up on them and offering interest discounts for customers who were willing to settle their outstanding balances. Historical debt that is not moving was handed over to the Debt Collector for collection.

The municipality's cash balances improved from last year's R 431m to R 499m during the year under review. The municipality ensured that it settles most of its outstanding creditors at year-end in order to avoid using the 2025/26 budget paying suppliers that were committed in 2024/25 financial year. Invoices for work done were submitted and accrued to be paid in the period in which they relate. Outstanding debt and revenue collection is another concern for the municipality just as it is for all other municipalities, therefore one of our main priorities is to focus on debt collection and maximizing revenue collection. To enhance our debt collection processes the municipality utilizes its internal staff and has appointed a debt collector to enhance this process. This has yielded positive results in the past but currently the municipality's collection rate is sitting 37%. The challenge has always been around collecting the long outstanding debt and therefore the focus on the debt collector will be on the long outstanding debt in order to maintain the current financial status. However, the municipality is still in a sound financial position and can be considered as a going concern, as its current assets exceeded its current liabilities at year end. A conservative approach has been adopted of ensuring that only when funds are received can they be fully committed in terms of budget as past trends show that own revenue collection is never realized at 100%. The temptation to use current collections as a baseline is avoided at all costs as the circumstances prevalent in one reporting period may not necessarily always be the same. The municipality is currently showing a healthy liquidity ratio of 11.28:1

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The annual financial statements have been prepared on the accrual basis of accounting and in accordance with historical cost convention, unless otherwise specified. The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No. 56 of 2003).

The purpose of the Statement of Financial Performance is to give an account of the results of Mbhashe Local Municipality's operations. These transactions result from the operating budget and can be expressed as being a surplus or deficit. The purpose of the Statement of Financial Position is to give an account of Assets and Liabilities at the end of the financial year. Net assets reflect the difference between the assets and liabilities.

The cash flow statement shows the net cash result. Technically, the statement starts with the accounting surplus as per the Statement of Financial Performance which gets adjusted for all non-cash transactions. All other cash transactions not resulting from the Statement of Financial Performance are recorded. These items can be referenced back to both the capital budget as well as the items reported as part of the quarterly Section 11-withdrawals reports, submitted to Council.

There are three main categories:

Net cash resulting from operating activities – this section shows the result of the operations of Mbhashe Local Municipality in cash terms. It includes the rendering of municipal services, purchasing of goods kept in stores, debtors and creditors transactions and interest paid and received.

Net cash resulting from investing activities – this section shows the result from amounts invested (either assets through the capital budget or as cash investments) as well as investments withdrawn.

Net cash resulting from financing activities – this section shows the result from financing activities, being mainly external loans taken up or redeemed. A healthy financial situation is one where the municipality has a net cash surplus resulting from operations as main source of revenue rather than from financing activities. A second important measure is to look for a correlation between cash generated from financing activities and investing activities which shows that funds borrowed, were invested in capital infrastructure, and not used for operations. A very serious situation would be where there is a net cash deficit from operations, no or limited cash invested, but cash received from financing activities. That would be indicative of a municipality utilising borrowing to fund operations instead of infrastructure assets.

T5.1.0

STATEMENTS OF FINANCIAL PERFORMANCE

MBHASHE LOCAL MUNICIPALITY (EC 121)
Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024
Revenue			
Revenue from exchange transactions			
Service charges	19	3 893 729	3 730 340
Construction contracts	28	7 851 305	14 090 339
Rental of facilities and equipment	20	3 191 292	3 188 573
Interest income (trading)	24	5 681 555	5 123 180
Licences and permits - Commission	2223	1 944 521	1 913 486
Other income	25	3 148 297	1 310 054
Interest earned	26	45 354 175	40 207 257
Revenue from non-exchange transactions			
Property rates	27	21 098 815	20 429 729
Licence and permits	22	232 761	629 416
Grants and subsidies	28	454 742 460	434 662 283
Fines and penalties	21	1 633 823	1 615 121
Total revenue		**548 772 733**	**526 899 778**
Expenditure			
Employee related costs	29	(143 776 317)	(135 668 746)
Remuneration of Councillors	30	(26 640 292)	(23 227 383)
Depreciation and amortisation	31	(50 602 244)	(51 687 783)
Finance costs	33	(3 020 692)	(1 438 823)
Debt Impairment	34	(19 176 069)	(20 896 464)
Administrative and other expenditure	35	(169 593 222)	(157 081 204)
Total expenditure		**(412 808 836)**	**(390 000 403)**
		-	-
Total revenue		548 772 733	526 899 778
Total expenditure		(412 808 836)	(390 000 403)
Operating surplus		**135 963 897**	**136 899 375**
Profit/(Loss) on disposal of assets		(451 650)	(90 481)
Impairment (loss)/Reversal	32	(17 162 760)	(4 936 633)
		(17 614 410)	**(5 027 114)**
Operating surplus/deficit		(17 614 410)	(5 027 114)
Surplus before taxation		118 349 487	131 872 261
Taxation		-	-
Surplus for the year		**118 349 487**	**131 872 261**

COMMENT ON FINANCIAL PERFORMANCE:

The municipality recorded a surplus of R 118m for the year under review although the surplus decreased from the previous year, and this was due to an increase in impairment loss during the year under review.

5.2 GRANTS

CHAPTER 4

INTRODUCTION TO FINANCIAL STATEMENTS

The annual financial statements have been prepared on the accrual basis of accounting and in accordance with historical cost convention, unless otherwise specified. The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No. 56 of 2003).

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Net cash resulting from financing activities – this section shows the result from financing activities, being mainly external loans taken up or redeemed. A healthy financial situation is one where the municipality has a net cash surplus resulting from operations as main source of revenue rather than from financing activities. A second important measure is to look for a correlation between cash generated from financing activities and investing activities which shows that funds borrowed, were invested in capital infrastructure, and not used for operations. A very serious situation would be where there is a net cash deficit from operations, no or limited cash invested, but cash received from financing activities. That would be indicative of a municipality utilising borrowing to fund operations instead of infrastructure assets.

Grant Performance						
						R' 000
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	**407.328.754.00**	**452.630.387.00**	**452.630.387.00**	**452.630.387.00**	100%	0%
Equitable share	310.734.000.00	327.167.000.00	327.167.000.00	327.167.000.00	100%	0%
Municipal Infrastructure Grant [MIG]	66.706.000.00	70.329.000.00	70.329.000.00	70.329.000.00	100%	0%
Expanded Public Works Programme [EPWP]	1.750.000.00	1.989.000.00	1.989.000.00	1.989.000.00	100%	0%
Municipal Disaster Relief Grant	22.226.754.00	42.416.387.00	42.416.387.00	42.416.387.00	100%	0%
Integrated National Electrification Programme [INEP]	4.142.000.00	9.029.000.00	9.029.000.00	9.029.000.00	100%	0%
Financial Management Grant [FMG]	1.770.000.00	1.700.000.00	1.700.000.00	1.700.000.00	100%	0%
Provincial Government:	-	-	-	-	**#DIV/0!**	#DIV/0!
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
District Municipality:	-	-	-	-		
[insert description]						
Other grant providers:	**31.475.529.00**	**11.916.454.00**	**11.141.073.00**	**11.141.073.00**		
Energy Efficiency	5.000.000.00	-	-	-	#DIV/0!	#DIV/0!
Office of The Premier Grant	21.442.764.00	11.000.000.00	9.281.619.00	9.281.619.00	100%	0%
Waste Recycling Solutions Subsidy	3.859.000.00	-	-	-	#DIV/0!	#DIV/0!
Library Grant	903.597.00	500.000.00	1.443.000.00	1.443.000.00	100%	0%
LG SETA	270.168.00	308.717.00	308.717.00	308.717.00	100%	0%
TETA SETA	-	107.737.00	107.737.00	107.737.00	100%	0%
Total Operating Transfers and Grants	**438.804.283.00**	**464.546.841.00**	**463.771.460.00**	**463.771.460.00**	100%	0%

CHAPTER 4

T5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS

The gazetteed grants were all received during the year under review. The gazetted grants were fully spent during the period under review and no roll-overs on grant funding will be applied for.

T5.2.2

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	**Actual Grant Year -1**	**Actual Grant Year 0**	**Year 0 Municipal Contribution**	**Date Grant terminates**	**Date Municipal contribution terminates**	**Nature and benefit from the grant received, include description of any contributions in kind**
Parastatals						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Foreign Governments/Development Aid Agencies						
OTP Grant	21.442.764.00	9.281.619.00	-	30-Jun-25	0	The grant is meant to fund the Small Towns Revitalisation programme
Waste Recycling Solutions Subsidy	3.859.000.00	-	-	30-Jun-24	0	The grant was meant to support the recycling programme
LG SETA Grant	270.168.00	308.717.00		30-Jun-25	0	An incentive grant which contributes towards the capacity building for employees and traning
TETA SETA	-	107.737.00	-	30-Jun-25		Capacity building grant meant to enroll employees into academic institutions
Private Sector / Organisations						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Provide a comprehensive response to this schedule						*T 5.2.3*

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The municipality received grant funding from LG Seta for capacity building towards employees. Several employees have been enrolled with tertiary institution utilizing the received funds. The municipality also received funds from The Office of the Premier for town revitalisation and number of internal streets have been identified for construction.

T5.2.4

ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Asset management is crucial for the sustainability of the Municipality as it is not possible to render any services without properly maintained assets. From the capital budget, it can be noted that the objective is to upgrade and maintain assets on a continuous basis. The condition of assets should be such that they can provide minimum level of service if not they should be replaced. Increased investment in sustainable infrastructure, particularly roads network is necessary and maintenance thereof to keep it at a good state.

T5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name	Dutywa Sports Facility - Ward 1			
Description	Construction of Sports Facility			
Asset Type	Community Assets			
Key Staff Involved	PMU Staff			
Staff Responsibilities	Monitoring and Evaluation			
	Year -3	Year -2	Year -1	Year 0
Asset Value				31,123,243.31
Capital Implications				
Future Purpose of Asset	To be utilised for sporting events by the community			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				
Name	Willowvale Sports Facility - Ward 25			
Description	Construction of Sports Facility			
Asset Type	Community Assets			
Key Staff Involved	PMU Staff			
Staff Responsibilities	Monitoring and Evaluation			
	Year -3	Year -2	Year -1	Year 0
Asset Value				22,876,443.75
Capital Implications				
Future Purpose of Asset	To be utilised for sporting events by the community			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 3				
Name	Willowvale Sports Facility - Ward 25			
Description	Construction of Sports Facility			
Asset Type	Community Assets			
Key Staff Involved	PMU Staff			
Staff Responsibilities	Monitoring and Evaluation			
	Year -3	Year -2	Year -1	Year 0
Asset Value				21,799,238.21
Capital Implications				
Future Purpose of Asset	To be utilised for sporting events by the community			
Describe Key Issues				
Policies in Place to Manage Asset				
				T 5.3.2

COMMENT ON ASSET MANAGEMENT:

Asset Management is done in line with the requirements of GRAP 17 and best practices as per National Treasury Asset Management Guide. Various assets were impaired after conducting a conditional assessment. This was based on the asset condition assessment performed which was informed by the heavy rains that the region experienced. An increased maintenance spending in future years should lead to reduced asset impairments.

T5.3.3

Repair and Maintenance Expenditure: Year 0				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	61 125 839	69 222 019	53 926 542	78%

T5.3.4

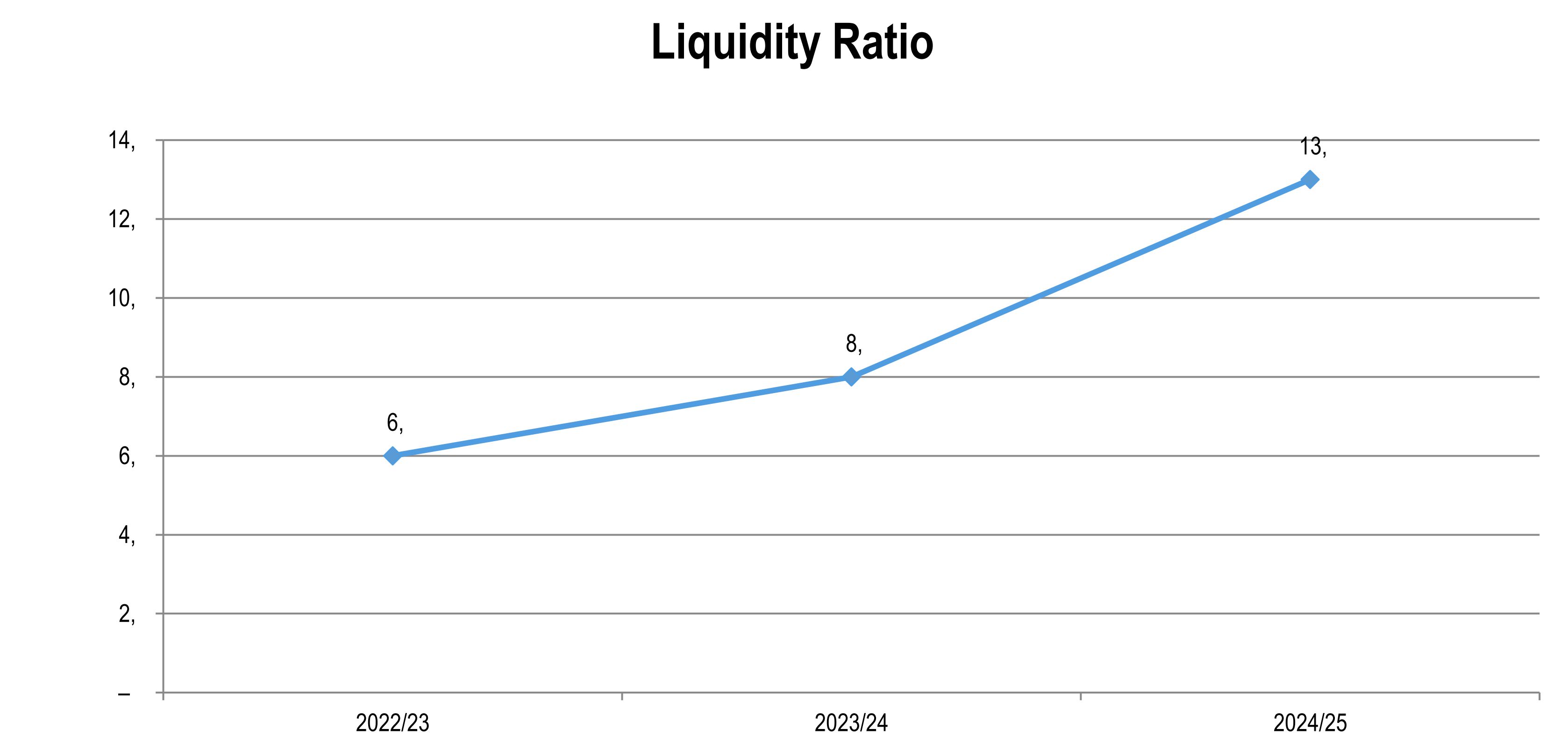
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE

The Repairs and Maintenance budget for the municipality is above the 8% norm of the asset value as prescribed by the National Treasury, however the municipality was able to spend 78% of its Repairs and Maintenance budget for the financial year ended 30 June 2025. In addressing the budget issues the municipality will strive to increase this percentage in the next coming financial years.

T5.3.4.1

CHAPTER 5

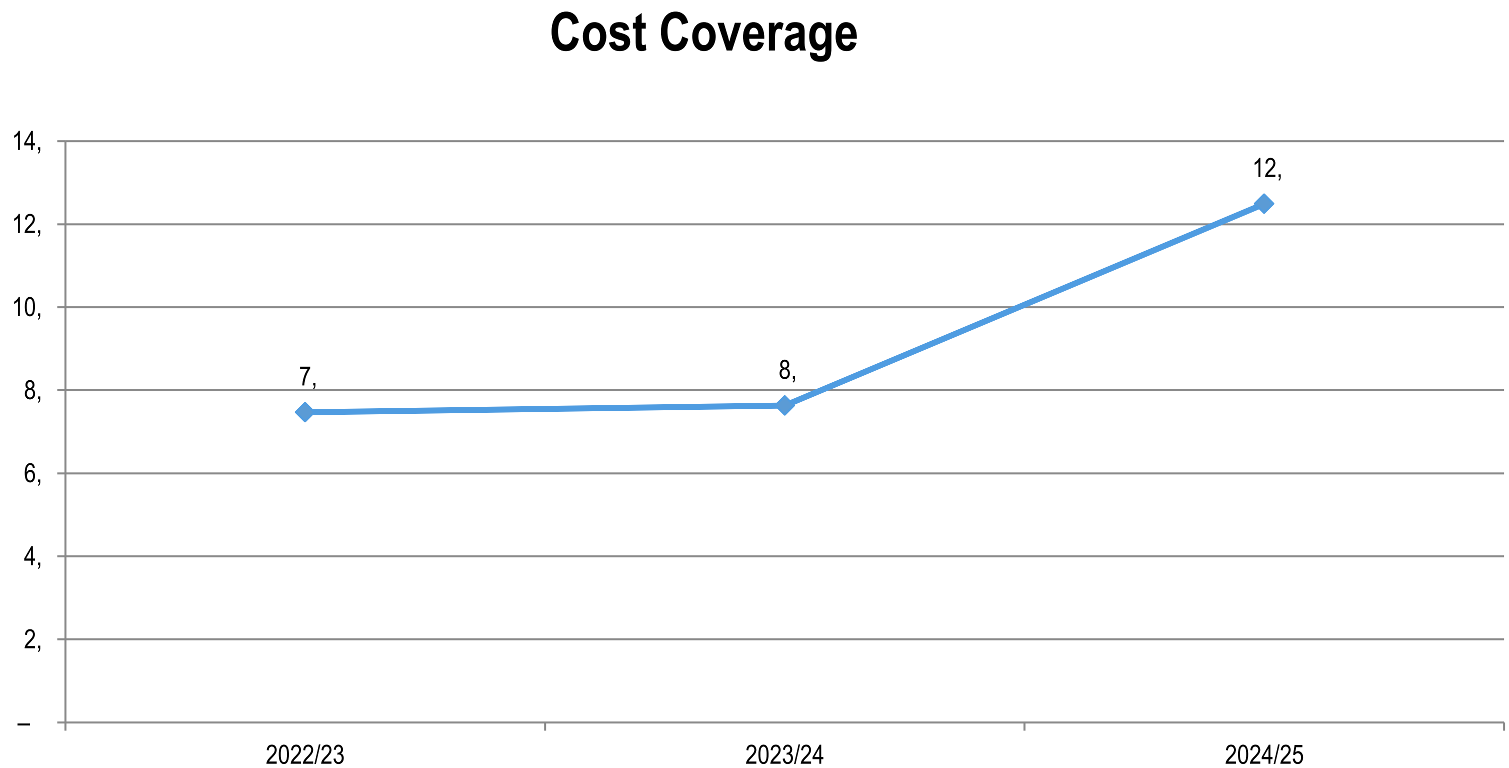
.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

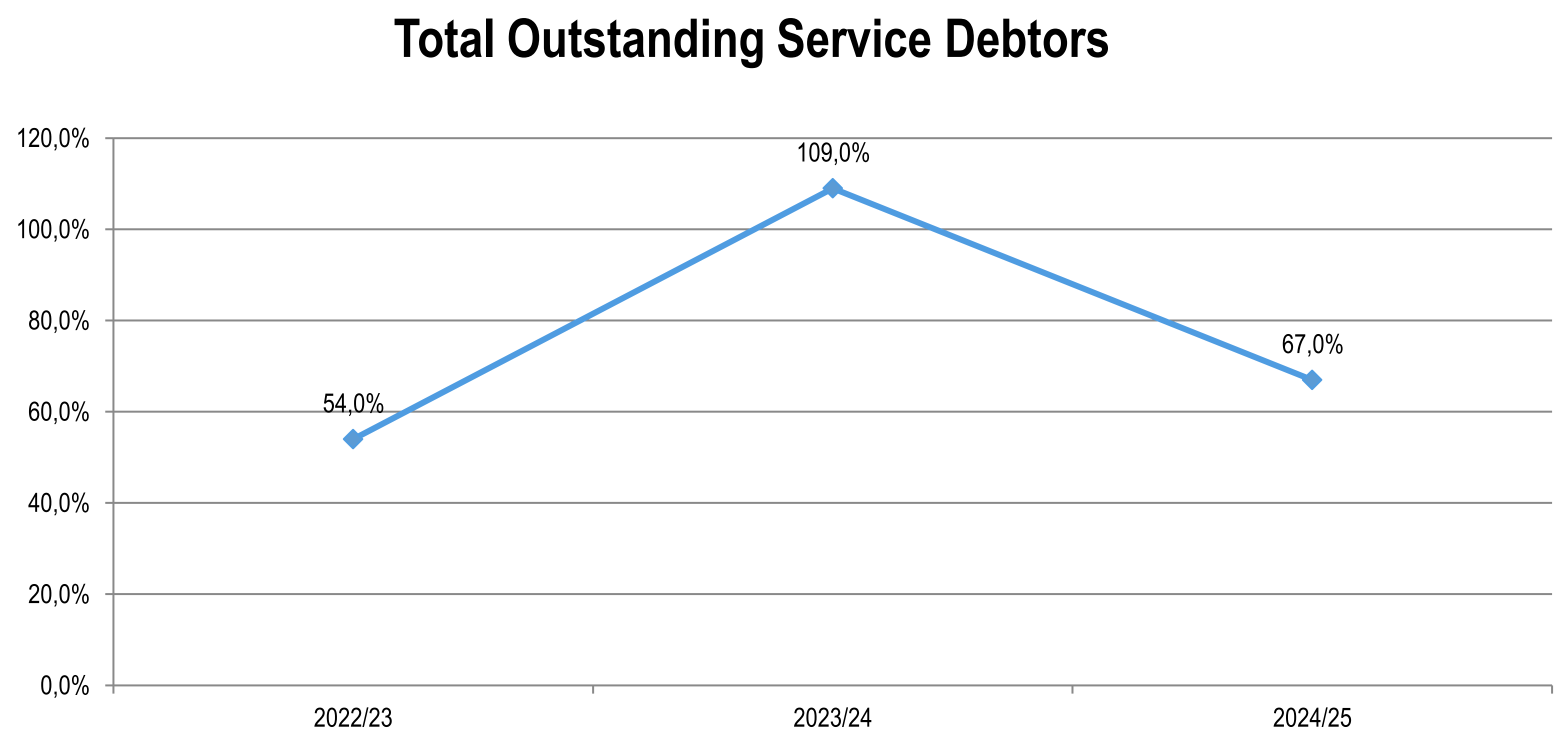
T5.4.1



Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

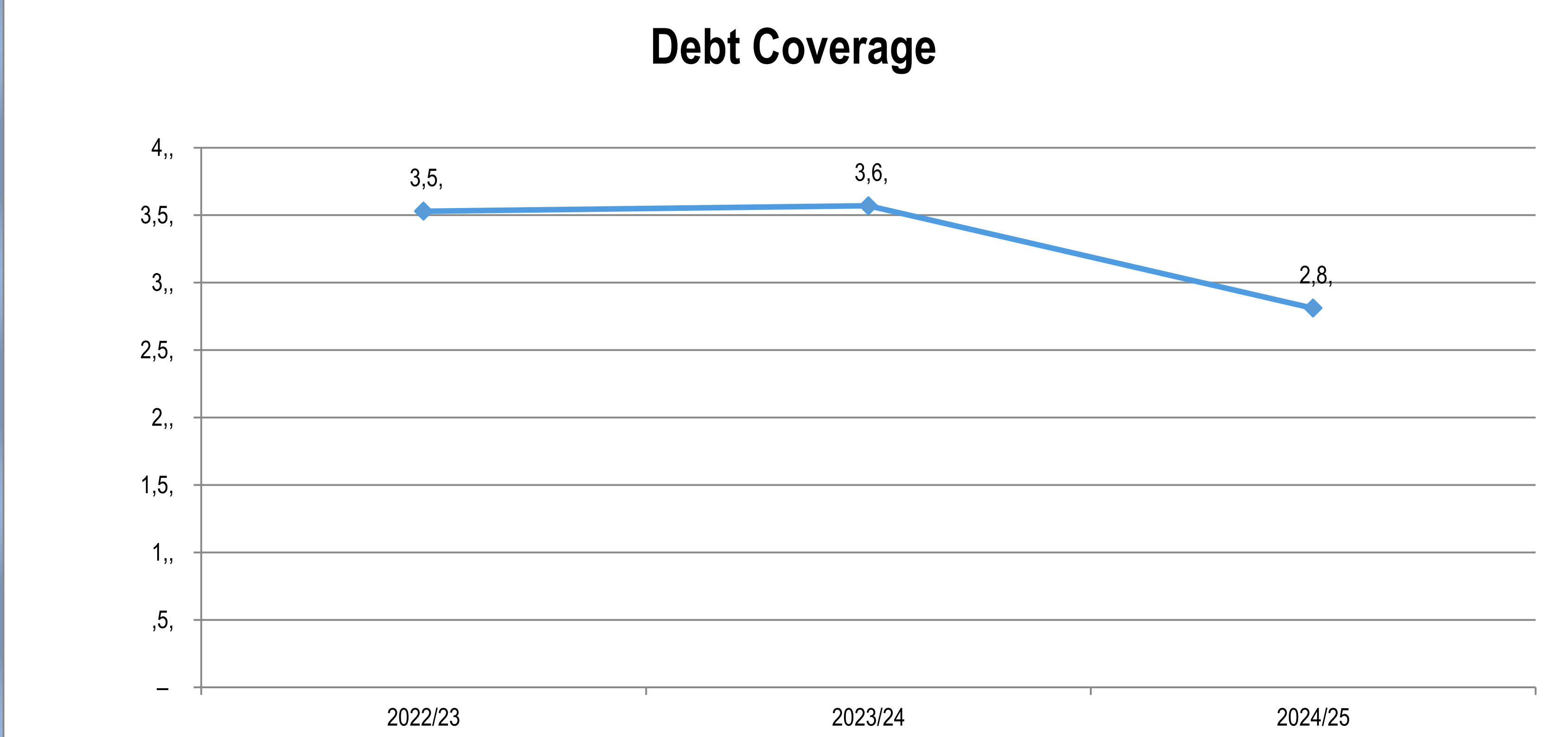
T5.4.2



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8

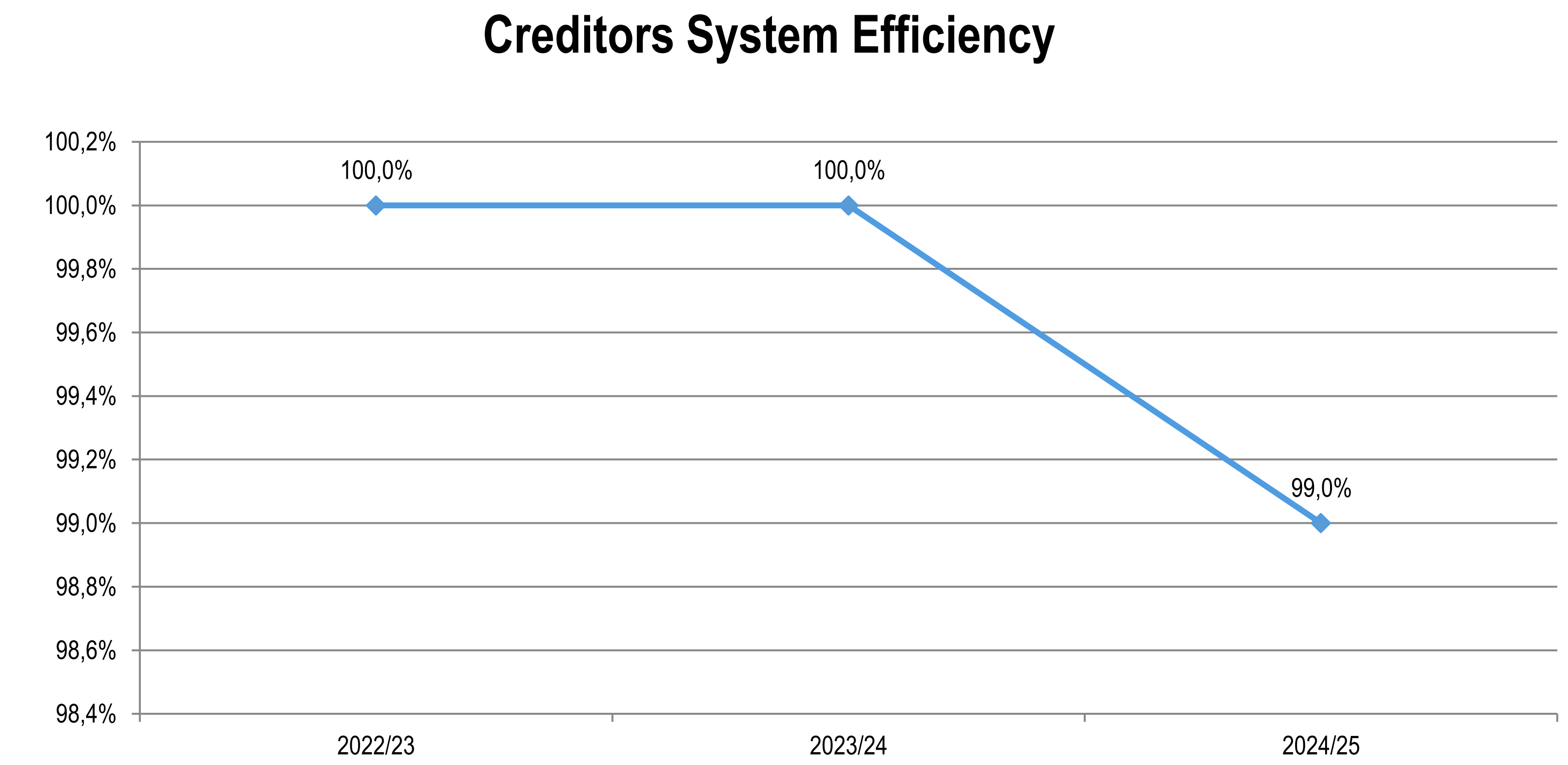
T5.4.3



Debt Coverage– The number of times debt payments can be accomodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accomodated by the municipality

Data used from MBRR SA8

T5.4.4

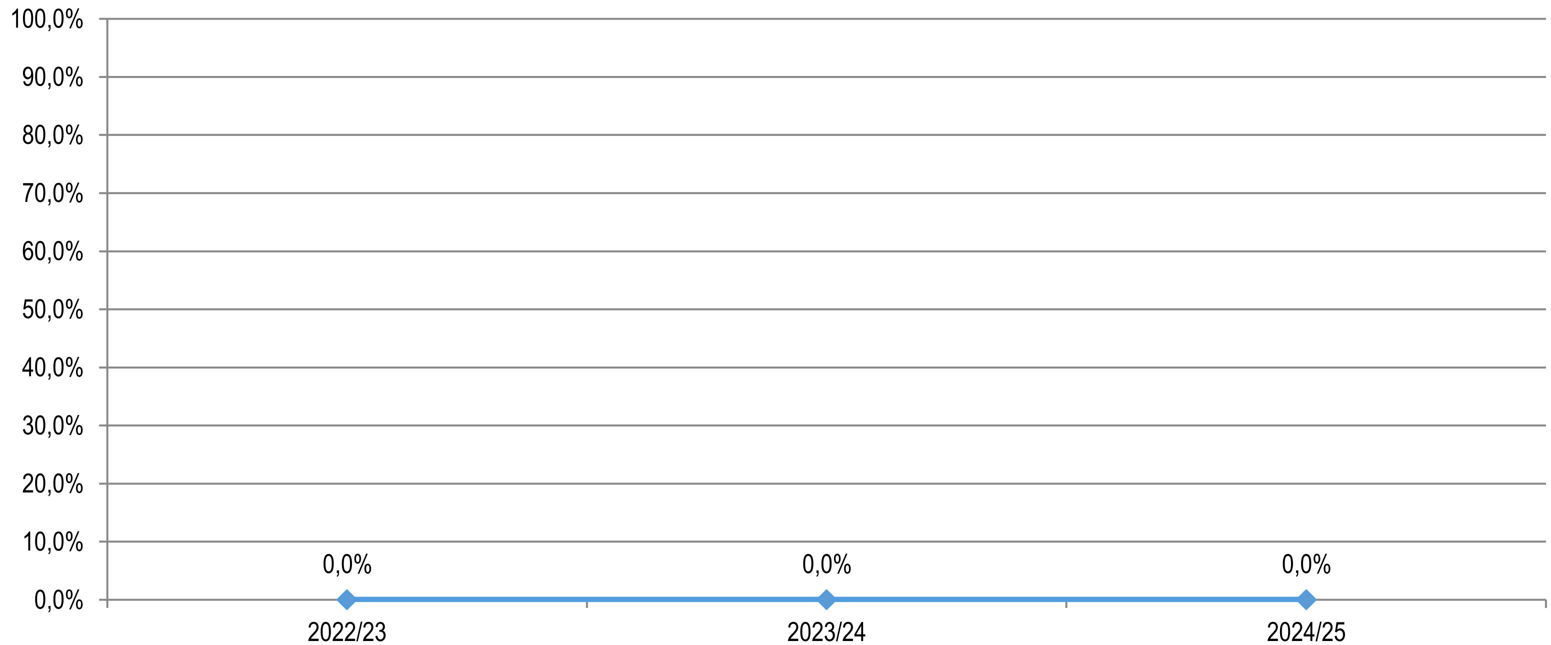


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T5.4.5

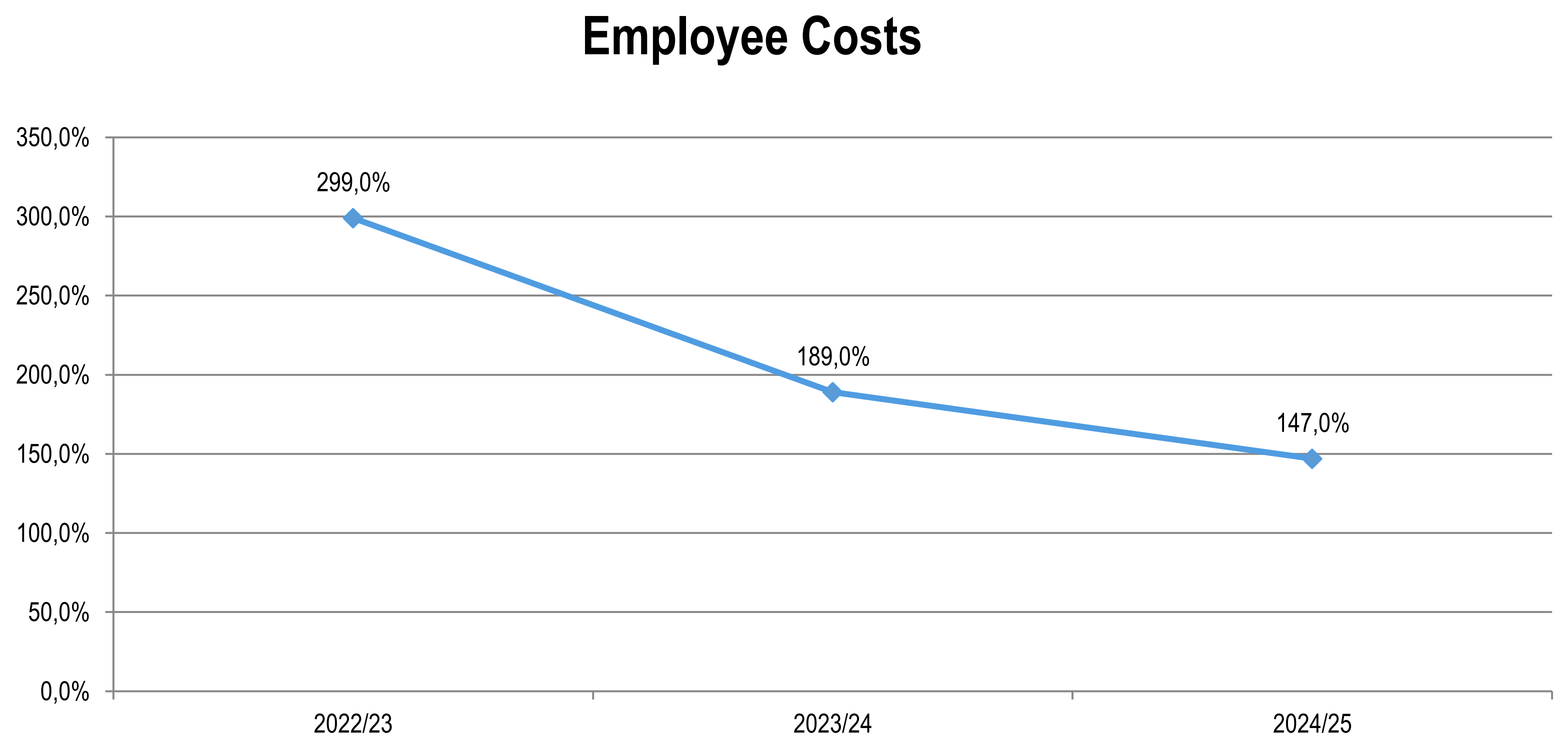
Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

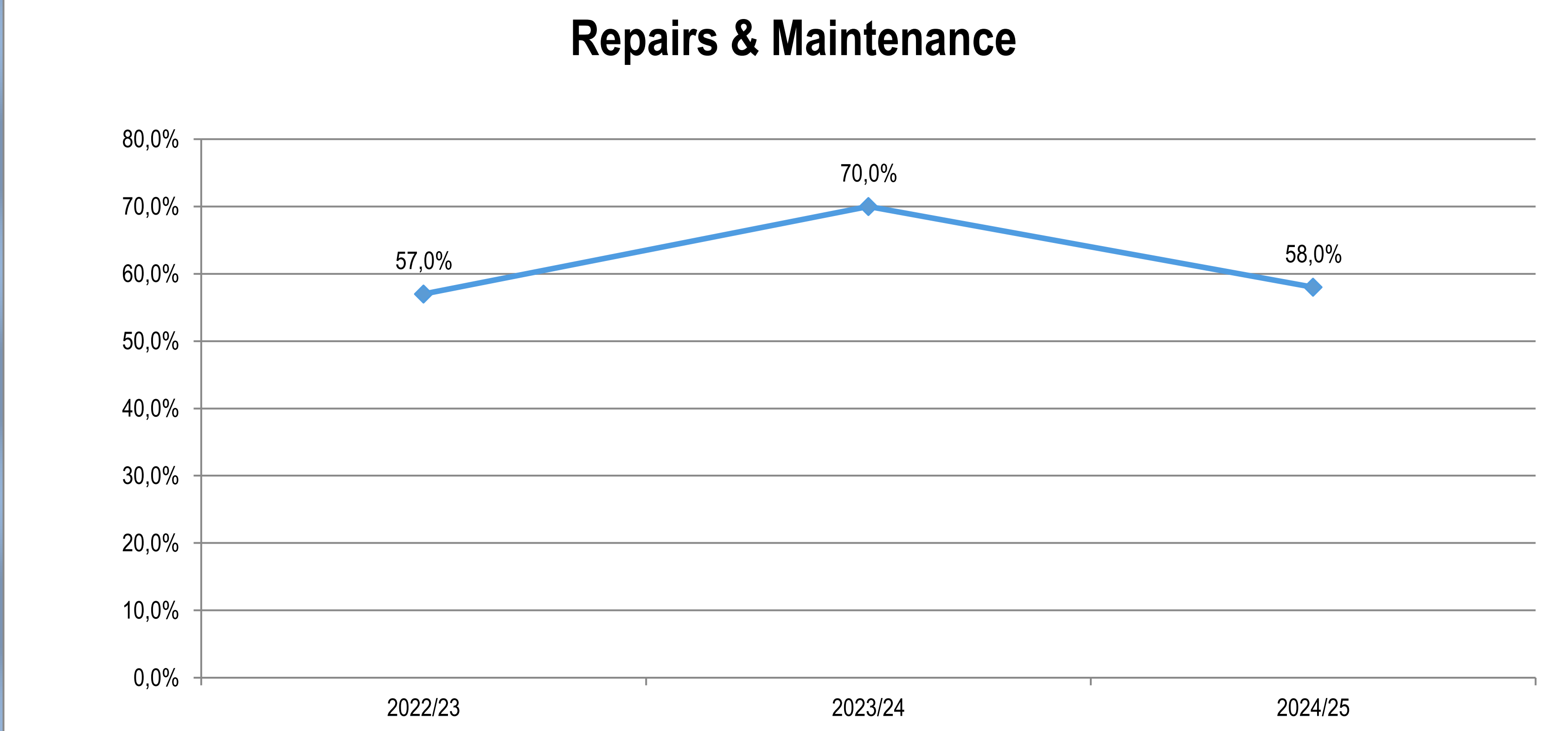
T5.4.6



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T5.4.7



Repairs and Maintenance – This represents the propotion of operating expenditure spent and is calculated by dividing the total repairs and maintenace.

Data used from MBRR SA8

T5.4.8

COMMENT ON FINANCIAL RATIOS:

Liquidity Ratio

This ratio provides an indication of the municipality's ability to pay its short-term debts in the short-term (viability of an entity). These ratios focus on current assets (debtors, bank and cash, inventory) and current liabilities (trade and sundry creditors, provisions, accruals). In the current year, the municipality's ration has increased from 8:1 in 2023/24 to 13 in 2024/25 financial year, which is way above the norm. This is an excellent indicator for the municipality's financial health status.

Cost coverage

The cost coverage is calculated as available cash plus investments divide by monthly fixed operational expenditure. The municipal budget reporting regulations table for 2024/25 shows the coverage ratio at 12.5, this indicates that the municipality had sufficient reserves to meet its fixed monthly operational costs for the 12 months ahead that clearly indicates the improved liquidity status.

Total outstanding service debtors

This ratio measures how much money is owed by the consumers on services provided by the municipality. The municipality only provides refuse removal. The percentage of 67% indicates that the municipality is progressing well in terms of debt collection against the billed amount.

Debt coverage

The municipality has a low debt coverage rate of 2.8, which indicates that it does not generate sufficient own revenue to cover its own operational costs.

Creditor's system efficiency

The municipality is developing systems in place to ensure that the creditors are paid within 30 days on receipt of valid invoice. This has led to a 99% improvement in the payment rate and the reduction in the creditors balance at year end.

Capital charges to Operating Expenditure

The rate is low because the municipality did not have capital loans and the interest incurred was on late payment of creditors.

Employee costs

The rate of 35% is lower than the norm of 40%, because the municipality had some vacant positions that were budgeted for. The municipality reviewed its structure, however not all the posts were filled but it reduced its percentage to 40% in the 2024/25 budget.

.

Repairs and Maintenance (Operating)

The rate of repairs and maintenance has declined due to projected not completed during the year on the maintenance of access roads and budget constraints**.**

Detail	%
Employee Cost	44%
Repairs & Maintenance	17%
Finance Charges & Impairment	2%

T5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

CHAPTER 5

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

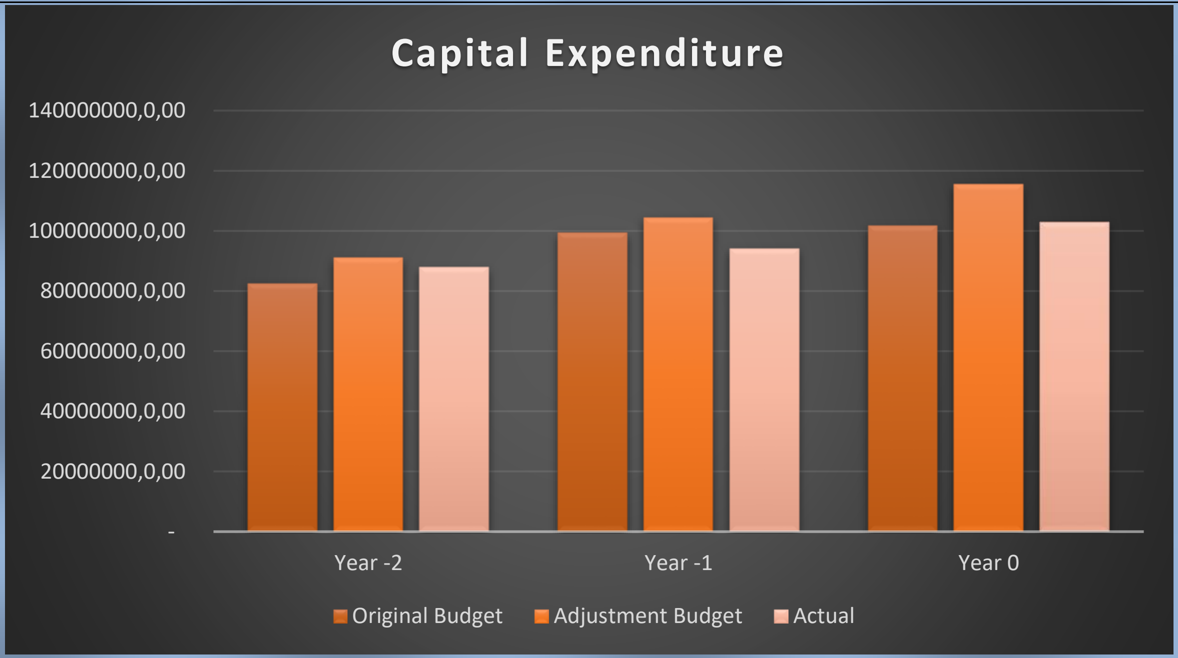
Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

T5.5.0

5.5 CAPITAL EXPENDITURE

Total Capital Expenditure: Year -2 to Year 0

			R'000
Detail	**Year -2**	**Year -1**	**Year 0**
Original Budget	82,441,000	99,402,307	101,616,899
Adjustment Budget	90,992,000	104,446,933	115,453,083
Actual	87,788,194	94,021,914	102,852,315



T5.5.1

T5.6.1

5.6 SOURCES OF FINANCE

CHAPTER 5

Capital Expenditure - Funding Sources: Year -1 to Year 0						
						R' 000
Details	Year -1	Year 0				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans						
Public contributions and donations						
Grants and subsidies	88.148.764.00	77.812.550.00	77.812.550.00	74.379.359.78	0%	4%
Other	41.606.085.10	52.046.884.00	37.740.534.00	37.740.534.00	27%	27%
Total	**129.754.849.10**	**129.859.434.00**	**115.553.084.00**	**112.119.893.78**	**11%**	**14%**
Percentage of finance						
External loans						
Public contributions and donations						
Grants and subsidies	0.68	0.60	0.67	0.66	-12%	-11%
Other	0.32	0.40	0.33	0.34	19%	16%
Capital expenditure						
Water and sanitation						
Electricity					#DIV/0!	#DIV/0!
Housing					#DIV/0!	#DIV/0!
Roads and storm water	88.148.760.00	77.812.550.00	77.812.550.00	74.379.359.78	0%	4%
Other	41.606.085.10	52.046.884.00	37.740.534.00	48.950.256.22	27%	-30%
Total	**129.754.845.10**	**129.859.434.00**	**115.553.084.00**	**123.329.616.00**	**11%**	**-7%**
Percentage of expenditure						
Water and sanitation						
Electricity	-	-	-	-	#DIV/0!	
Housing	-	-	-	-		#DIV/0!
Roads and storm water	0.68	0.60	0.67	0.60		10%
Other	0.32	0.40	0.33	0.40	19%	-22%

COMMENT ON SOURCES OF FUNDING:

The variance is coursed by the adjusted budget depending on the need or the reason for the adjustment, whether the budget has been adjusted upwards or downwards, for example library budget was R500 000 and the allocated amount was R1 443 000

T5.6.1.1

CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects* R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Dutywa Sport Facility	31,123,243	31,123,243	8,170,032	74%	0%
Dutywa Internal Streets	29,947,362	29,947,362	17,066,277	43%	0%
Willowvale Sports Facility	22,876,444	22,876,444	19,923,934	13%	0%
Elliotdale Sports Facility	21,799,238	21,799,238	21,106,747	3%	0%
Xhora Mouth to Ndalatha Bridge	16,574,563	16,574,563	14,432,023	13%	0%

COMMENT ON CAPITAL PROJECTS:

Delete Directive note once comment is complete **-** Provide information in the template above on the 5 largest projects, ranked according to their approved budget provision year 1. Comment on the variance between the original and adjustment budgets and on availability of future Budget provision to operate the projects and lessons learnt in the year about capital project implementation on time to budget.

T5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Delete Directive note once comment is complete **–** Explain that need and cost of backlogs are the result of migration into an area; migration out of an area; the trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure. Explain how this balance effects net demand in your municipality and how your municipality is responding to the challenges created.

T5.8.1

Service Backlog as at Year 1				**Households (HHs)**
	*Service Level above minimum standard		**Service Level below minimum standard	
	No. of HHs	% HHs	No. of HHs	% HHs

Water	28859	48	31264	52
Sanitation	29460	49	306683	51
Electricity	60124	94	3650	6
Waste Management	36074	60	24049	40
Housing				
%HHs are the service above/below minimun standard as a proportion of total HHs. Housing refers to *formal and **informal settlements				T5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure Year 0 on Service backlogs						R' 0
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Infrastructure - Road transport						Complience with division of revenue act
Roads, Pavements & Bridges	R42.488.539.28	R0.00	R42.488.539.28	0	0	N/A
Storm water	R0.00	R0.00	R0.00	0	0	N/A
Infrastructure - Electricity						Complience with division of revenue act
Generation	R9.029.000.00	R0.00	R9.029.000.00	%	%	
Transmission & Reticulation	R0.00	R0.00	R0.00	%	%	
Street Lighting	R0.00	R0.00	R0.00	0	0	N/A
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	

Reticulation				%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
				%	%	
				%	%	
				%	%	
Total	50931634,20	R18.400.000.00	69331634,20	%	%	

** MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

T 5.

Municipal Infrastructure Grant (MIG)* Expenditure Year 0 on Service backlogs

R' 000

Details	**Budget**	**Adjustments Budget**	**Actual**	**Variance**		**Major conditions applied by donor (continue below if necessary)**
				Budget	**Adjust-ments Budget**	
Infrastructure - Road transport	71496000.00	67496000.00	67496000.00	0	6%	Complience with division of revenue act
Roads, Pavements & Bridges	39338273,7	0	39338273,7	0	0	N/A
Storm water		0	0	0	0	N/A

Infrastructure - Electricity	4142000	0	4142000	0%	0%	Complience with division of revenue act
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting	3 000 000	0	3 000 000	0	0	N/A
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
Reticulation				%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
				%	%	
				%	%	
				%	%	
Total	50931634,20	18400000	69331634,20	%	%	

** MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

T 5.8.3

COMMENT ON BACKLOGS:

Delete Directive note once comment's completed - Comment on how MIG grants have been utilised to redress the backlogs and on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains details of schools and clinics that have been established that do not have ready access to one or more basic services and **Appendix Q** contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

T5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality's consistent strong liquidity profile over the past few years reflects a viable administrative system geared towards fiscal discipline despite challenges associated with the collection of revenues. The municipality prepares highly informative and comprehensive annual financial statements, including a balance sheet that is independently audited by the Auditor General. The municipality received an unqualified audit opinion for the financial year ended 30 June 2025. There were no material qualifications that affect the cash flow of the municipality. T5.9

MBHASHE LOCAL MUNICIPALITY (EC 121)

Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024
Cash flows from operating activities			
Receipts			
Sale of goods and services		26 804 270	18 072 733
Grants		442 628 569	446 949 044
Interest income		45 354 175	40 207 257
Other receipts		5 014 881	5 468 077
		519 801 895	510 697 111
Payments			
Employee costs		(170 958 417)	(159 043 895)
Suppliers		(166 433 063)	(158 975 267)
Finance costs		(18 173)	(20 985)
		(337 409 653)	(318 040 147)
Total receipts		519 801 895	510 697 111
Total payments		(337 409 653)	(318 040 147)
Net cash flows from operating activities	36	**182 392 242**	**192 656 964**

MBHASHE LOCAL MUNICIPALITY (EC 121)

Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(115 189 283)	(94 021 914)
Net increase/(decrease) in cash and cash equivalents		**67 202 959**	**98 635 050**
Cash and cash equivalents at the beginning of the year		431 954 550	333 319 501
Cash and cash equivalents at the end of the year	13	**499 157 509**	**431 954 551**

COMMENT ON CASH FLOW OUTCOMES:

The municipality's consistent strong liquidity profile over the past few years reflects a viable administrative system geared towards fiscal discipline despite challenges associated with the collection of revenues. The municipality prepares highly informative and comprehensive annual financial statements, including a balance sheet that is independently audited by the Auditor General. The municipality received an unqualified audit opinion for the financial year ended 30 June 2025. There were no material qualifications that affect the cash flow of the municipality.

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality did not have borrowings in the 2024/25 financial year T5.10.1

Investment profile

The municipality has short term investments with different banks. This is under cash and cash equivalents under the AFS note 5.

MBHASHE MUNICIPALITY

INVESTMENTS AS AT 30 JUNE 2025

	Bank	Account Type	Acc name	Status	Acc number	2024/07/01	Interest Total	Deposits Total	Closing Balance as at 30/06/2025
1	FNB	7 Day Interest Plus	Mbhashe Municipality	Active	74321424942	26.404.224.17	2.704.115.12	70.000.000.00	**108.339.29**
2	FNB	Call Account	EPWP Call Account	Active	62562355373	35.074.46	2.104.70	-	**37.179.16**
3	FNB	Call Account	FMG Call Account	Active	62562352410	143.684.86	8.963.12	-	**152.647.98**
4	FNB	Call Account	Depreciation Account	Active	74813155287	34.866.663.96	3.284.768.75	5.000.000.00	**43.151.432.71**
5	ABSA	Fixed Deposit	Mbhashe Municipality	Active	2081667867	-	15.842.972.60	360.000.000.00	**-**
6	Nedbank	Fixed Deposit	Mbhashe Municipality	Active	)3/7881169370/000007	-	9.501.879.47	220.000.000.00	**0.01**
7	Standard Bank	Fixed Deposit	Mbhashe Municipality	Active	088629511-005	-	9.165.972.60	220.000.000.00	**-**
8	Standard Bank	Fixed Deposit	Mbhashe Municipality	Active	088629511-007		1.303.972.60	60.000.000.00	**-**
						61.449.647.45	**41.814.748.96**	**935.000.000.00**	**43.449.599.15**

T5.10.2

T5.10.3

COMMENT ON BORROWING AND INVESTMENTS

The municipality did not have borrowings in the 2024/25 financial year. T.5.10.5

5.11 PUBLIC PRIBATE PARTNERSHIP

PUBLIC PRIVATE PARTNERSHIPS
The municipality did not have any Public Private Partnerships during the 2024/25 financial year
T5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Section 3(1)(b) and (c) of the SCM Regulations states that the accounting officer of a municipality must at least annually review the implementation of the SCM policy and when necessary submit proposal for the amendment of the policy to council.

Section 117 of the MFMA states that: “No councilor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, not attend any such meeting as an observer.” The Accounting Officer established a committee system that is consistent with the MFMA and Municipal SCM Regulations for competitive bids consisting of

- A bid specification committee

- A bid evaluation committee

- A bid adjudication committee

Chapter 6 of the Municipal Regulations on Minimum Competency Levels states that: “The accounting officer and any other official of a municipal entity involved in the implementation of the SCM Policy of the municipal entity must generally have the skills, experience and capacity to assume and fulfil the responsibilities and exercise the functions and power in respect of Supply Chain Management.”

The regulations indicate the minimum competency levels for Heads and Managers in Supply Chain Management and Supply Chain Management Practitioners.

Supply Chain Management is centralized and situated in the Budget and Treasury Department with 5 permanent staff members, 1 of them has completed the minimum competency requirements, whilst 4 are in the final stages of meeting these competencies. T5.12.1

T5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications. The municipality is yet to achieve full compliance with GRAP but notable strides have been made as captured in the Audit Action Plan. Material misstatements were identified by the Auditor-General that were subsequently corrected, leading to the Annual Financial Statements receiving an unqualified audit opinion with emphasis of matter.

T5.13.1

CHAPTER 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION
Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement… must be audited annually by the Auditor-General.
Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter. If this is the version of the annual report presented to Council in September then the Auditor-Generals statements on this year's submissions will not be available for inclusion in this Chapter and this should be explained.
T6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Report of the auditor-general to the Eastern Cape Legislature and Council on the Mbhashe Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Mbhashe Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mbhashe Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (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.

Allowance for impairment

7. As disclosed in note 12 to the financial statements, a provision for impairment of R60,4 million (2022-23: R39,6 million) was made in respect of consumer debtors.

Restatement of corresponding figures

8. As disclosed in notes 39 and 40 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Unspent conditional grants and receipts

9. As disclosed in note 14 to the financial statements, the municipality had unspent conditional grants and receipts totalling R19,9 million.

Other matter

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

Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed 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 the financial statements

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

13. In preparing the financial statements, the accounting officer is responsible for assessing the 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

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

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

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

21. The material findings on the reported performance information for the selected development priority are as follows:

SD 2.1 Number of households and commercial areas serviced at Dutywa, Gatyana and Xhora

22. I was unable to obtain sufficient appropriate audit evidence of a clear definition of the predetermined nature and required level of performance to be used when measuring the reported achievement for the target of 164 households and 20 commercial areas serviced as follows: (Dutywa – 65 households and 10 commercial areas; Gatyana – 49 households and 5 commercials; and Xhora – 50 households and 5 commercial). This was due to a lack of measurement definitions and processes. I was unable to test by alternative means whether the target for this indicator was clearly defined. Consequently, I could not confirm the reliability of the reported achievement.

Other matter

23. I draw attention to the matters 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. This information should be considered in the context of the material findings on the reported performance information.

25. The table that follows provides information on the achievement of planned targets and lists the 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.

Service delivery and infrastructure development

Targets achieved: 54%
Budget spent: 64%

Key indicator not achieved	Planned target	Reported achievement
SD 1.1.5 – Number of square meters of potholes fixed as per the assessment report at Dutywa, Gatyana and Xhorha	280 square meters of potholes fixed as per the assessment report as follows: Dutywa – 120, Gatyana – 80 Xhorha – 80 R0	281,57 square meters as follows: Xhorha – 82m Gatyana – 80m Dutywa – 120,11m

SD 1.2 – Number of households electrified in ward 23 and ward 14	434 households electrified as follows: Ward 14-129 & Ward 23-305 R17 284 182,45	434 households electrified as follows: Ward 23-305 Ward 14-129 Practical completion certificate and report signed by the senior manager, confirmation letters from beneficiaries and list of beneficiaries.
SD 1.3 – Number of municipal solar systems installed and electrified with energy saving technology (Dutywa main office new building)	1 Municipal solar system installed and electrified with energy-saving technology (solar systems) in Dutywa main office new building R5 000 000	1
SD 1.4 – Number of solar systems maintaned in ward 8 Sibane and as as per assessment report	30 solar systems maintained in ward 8 Sibane R300 000	30
SD 1.5 – Number of streetlights upgraded in ward 1 and ward 25 as per assessment report.	50 streetlights upgraded in wards 1 and 25 as follows: Ward 1 – 30 Ward 25 – 20 R2 000 000	50 upgraded streetlights as follows: Ward 1-30 Ward 25-20
SD 1.10 – Number of ablution facilities constructed at old Gatyana taxi rank	1 ablution facility constructed at old Gatyana taxi rank R200 000	1
SD 1.11 – Number of community halls constructed at ward 8 (Gem Community Hall)	1 community hall constructed at ward 8 Gem Community Hall R3 568 041,60	1
SD 2.1 – Number of households and commercial areas serviced at Dutywa, Gatyana and Xhora	164 households and 20 commercial areas serviced as follows: (Dutywa – 65 households and 10 commercial areas, Gatyana – -49 households and 5 commercials, and Xhora – 50 households) and 5 commercial R6 050 000	164 households and 20 commercial areas serviced as follows: (Dutywa – 65 households and 10 commercial areas, Gatyana – 49 households and 5 commercials, and Xhora – 50 households) and 5 commercials
SD 2.2 – Number of programmes implemented as per the waste management plan in wards 1, 13 and 25.	3 programmes implemented as per the waste management plan in wards 1, 13 and 25.	5 Programmes implemented for waste management services as follows: Ward 1-2 Ward 13-1 Ward 25-2
SD 1.12 – Number of road safety measures implemented in each unit – Gatyana, Xhorha and Dutywa	12 road safety measures implemented as follows: Gatyana – 4, Xhor ha – 4 and Dutywa – 4 R2 244 80	32 road safety measures implemented as follows: Gatyana – 11 Xhorha – 9 Dutywa – 12

SD 3.1 – Number of beaches provided with life rescue services during peak seasons as follows: Qhorha, Tenza, Dwesa, Cwebe, Qatywa, Mpame, Mbholompo, Bulungula, Lubanzi and Haven.	10 beaches provided with life rescue services during peak seasons as follows: Qhorha – W22, Tenza – W22, Dwesa – W29, Cwebe – W20, Qatywa – W32, Mpame – W19, Mbholompo – W19, Bulungula – W19, Lubanzi – W19 and Haven – W20). R770 000	10
SD 4.1 – Number of relocation plans developed for Dutywa ward 9 and Gatyana ward 25	2 relocation plans developed for Dutywa ward 9 and Gatyana ward 25 R1 000 000	2 relocation plans as follows: Ward 9-1 Ward 25-1
SD 4.2 – Number of townships registered and proclaimed at ward 1 & 13	2 townships registered and proclaimed at ward 1 and 13 R700 000	2 townships registered and proclaimed as follows: Dutywa Township Ext 3 Ward 1-1 Xhorha Ext 5 Ward 13-1.

Material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for service delivery and infrastructure development. Management did not correct all the misstatements and I reported material findings in this regard.

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 for 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 and annual report

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

Expenditure management

32. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R239 859 as disclosed in note 44 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. Most of the disclosed fruitless and wasteful expenditure was caused by payment of fuel and oil for a non-municipal vehicle.

Asset management

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

Strategic planning and performance management

34. The performance management system and related controls were inadequate as they did not describe how the performance planning, monitoring, measurement, review and reporting processes should be conducted and managed, as required by municipal planning and performance management regulation 7(1).

Procurement and contract management

35. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2) (b) of the MFMA.

Other information in the annual report

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

37. 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.

38. 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 development priorities

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

39. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that there is a material misstatement, 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

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

41. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

42. Leadership has not institutionalised all the disciplines necessary to enable oversight and monitoring to promote efficiency and effectiveness in financial and performance management and compliance with legislation. The leadership was unable to detect and prevent material misstatements in the financial statements and annual performance report. Management did not respond to all the recommendations of the audit committee and internal audit, which impacted the effectiveness of these governance structures and resulted in repeat audit findings being raised.

Material irregularities

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

Status of previously reported material irregularities

Payment of hawker stalls not received

44. The municipality did not comply with section 65(2)(a) of the MFMA, which requires that reasonable steps be taken to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds.

45. The municipality appointed a contractor on 12 November 2015 for the installation of the Idutywa Hawker Stalls Phase 2 project for an amount of R16 million over a period of three

years. The supplier delivered 60 hawker stalls, which left a balance of 260 hawker stalls not delivered. The municipality did not comply with section 65(2)(a) of the MFMA, as the accounting officer did not ensure that reasonable steps were in place to ensure that payments were approved and made for goods that had been delivered and installed.

46. I notified the accounting officer of the material irregularity on 14 February 2023 and invited him to make a written submission on the actions taken.

47. In August 2022, the municipality advertised for a legal firm to remedy the matter. A firm was appointed, and an urgent application for the delivery of the 260 hawker stalls from the supplier was sought.

48. On 6 March 2023, a consultation was conducted with the signatories who are still in the employ of the municipality. Municipal Public Accounts Committee (MPAC) adopted a resolution that all employees involved had to be investigated by the disciplinary board. The municipality had received correspondence from attorneys stating that it should approach a court of law to demand the hawker stalls from the supplier.

49. The municipality referred the matter to the East London High Court on 12 October 2023, demanding the monies by which the consultants were unjustifiably enriched as the contractor had never delivered the remaining 260 hawker stalls. The municipality is in the process of making an application for the default judgement, as the consultant never filed their intention to oppose the matter.

50. The municipality sought a default judgement after the defendant failed to respond within the required time, but following recent legal guidance, the attorneys are now preparing for a trial, potentially next year.

51. Based on my evaluation of the information and evidence provided, the steps taken by the accounting officer are appropriate and the material irregularity is therefore resolved.

Auditor General

East London

29 November 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

CHAPTER 6

CHAPTER 6

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)

Report of the auditor-general to the Eastern Cape Legislature and Council on Mbhashe Local Municipality

Report on the audit of the financial statements

Opinion

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

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Mbhashe Local Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with 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.

7. As disclosed in note 34 to the financial statements, material contributions to debt impairment provision of receivables from exchange and non-exchange transactions of R14,9 million (2023-24: R20,9 million) was incurred as a result of non-payment by consumer debtors.

8. As disclosed in note 42 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.

9. As disclosed in note 47 to the financial statements, irregular expenditure of R22 million was incurred, as a proper tender process was not followed.

Other matter

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

11. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed 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

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

13. 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

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

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 8, forms part of my auditor's report.

Report on the audit of the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance 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.

17. 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
Service delivery and infrastructure development	XX	To manage and ensure the provision of basic municipal services and the reduction of infrastructure backlogs.

18. 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.

19. 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.

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

21. I did not identify any material findings on the reported performance information for the selected key performance area.

Other matter

22. I draw attention to the matters below.

Achievement of planned targets

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

24. 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.

Service delivery and infrastructure development

Targets achieved: 81%

Budget spent: 80%

Key indicator not achieved	Planned target	Reported achievement
SD 1.1 – Number of kms access roads constructed as follows: wards 12 and 22; and site establishment for wards 3,11,15, 24 and 27	13.3 kms new access roads constructed as follows: ward 12 – 9.8 kms (Bolish to Nqabarha access roads) and ward 22 – 3.5 kms (Mgxabakazi access roads). Site establishment for wards 3,11,15, 24 and 27	13.4 kms new access roads constructed as follows: ward 12 – 9.9 kms (Bolish to Nqabarha access roads) and ward 22 – 3.5 kms (Mgxabakazi access roads). Site establishment for wards 3,11, 15 and 27. Ward 24 is on hold due to pending environmental approval
SD 1.1.1 – Number bridges completed at Ntlonyane Bridge	1 Bridge completed at ward 20 Ntlonyane Bridge	0 reports signed by SM and consultant, illustrating that the following activities have been done on ward 20 Ntlonyane Bridge: abutments completed steel for deck fixed and assembled.
SD 1.1.4 – Number of metres paved and installation of storm water control measures at Gatyana ward 25, Dutywa ward 1 and Xhorha ward 13 as per assessment report.	130m paved at Gatyana ward 25 (Opposite KFC) 200m Xhorha ward 13 (Boxer to Caltex Garage) 300m in Dutywa installation of stormwater culverts as per assessment report.	470m paved as follows: Xhorha – 200m Gatyana – 130m Gatyana – 140m Signed report by SM, illustrating that stormwater and earthworks were done, but due to failure of layer works, these were removed.
SD 1.8 – Number of phase 3 activities in construction at ward 2 sport facility (cricket pitch and fencing)	2 activities for phase 3 sport facility constructed at ward 2 as follows: cricket pitch and fencing	0 partially done activities for sport facility constructed at ward 2 as follows:

Targets achieved: 81% *Budget spent: 80%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
		Cricket pitch – 90% progress, activities done were: Site clearance – 100% Excavation works 100%, Pavement and layers 37%, Stormwater drainage – 50% Fencing – 50% as follows: Installation of fencing 30%, installation of concrete edge beam – 30%

25. I did not identify any material findings on the reported performance information for the key performance area.

Report on compliance with legislation

26. 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.

27. 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.

28. 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.

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

Annual financial statements and annual reports

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

Human resource management

31. Job descriptions were not established for all posts in which appointments were made, as required by section 66(1)(b) of the MSA and regulation 7(1) of Municipal Staff Regulations.

Procurement and contract management testing

32. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of SCM regulation 17(1)(a) and (c).

Other information in the annual report

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

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

35. 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 development priorities presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

36. 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 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

37. 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.

38. 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.

39. Leadership has not fully institutionalized the disciplines required to enable effective oversight and monitoring, which are essential for promoting efficiency, effectiveness, and compliance in financial and performance management. As a result, leadership was unable to detect and prevent material misstatements in the financial statements. Furthermore, the portfolio of evidence submitted to support reported performance in the annual performance report was

inadequately maintained. Management also did not address all recommendations from the audit committee and internal audit, which weakened the effectiveness of these governance structures and led to repeat findings.

Other reports

40. 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.

41. The Hawks are currently investigating the matter of hawker stalls that were paid for but not delivered in response to a whistleblower report. A material irregularity was issued to the accounting officer on the matter, and the accounting officer's responses were assessed, and the material irregularity was resolved. The matter is currently with the courts.

Auditor General.

East London

30 November 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

CHAPTER 6

6.2 AUDITOR GENERAL REPORT YEAR 1

CHAPTER 6

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 1

The municipality received an unqualified audit opinion for the year ended 30 June 2025 with emphasis of matter.

T6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 1:

<u>Delete Directive note once comment's completed</u> - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on YEAR 0 if it provides useful context.

T6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements/ with the exception of those items and for those reasons given at **Appendix S** (***delete '/…' if not applicable***).

Signed (Chief financial Officer)………………………………………………………..... Dated

T6.2.5

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GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.

Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.

Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.

National Key performance areas	(vi) Service delivery & infrastructure (vii) Economic development (viii) Municipal transformation and institutional development (ix) Financial viability and management (x) Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

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Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.

Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

CHAPTER 6

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

NR	**COUNCIL MEMBERS**	**FULL TIME / PART TIME (FT/ PT)**	**COMMITTEES ALLOCATED**	***WARD AND/ OR PARTY REPRESENTED**	**PERCENTAGE COUNCIL MEETINGS ATTENDANCE**	**PERCENTAGE APOLOGIES FOR NON ATTENDANCE**
					NR	**NR**
1.	CLLR. A TYATYAZA	P/T	MPAC MEMBER	ANC	99%	1%
2.	CLLR. TOMOSE	P/T	BSD	ANC	90%	10%
3.	CLLR. ZUKILE C. GOBINDUKU	P/T	MFV	ANC	95%	5%
4.	CLLR. SIMPHIWE FUTSHANE	F/T	GGP	ANC	98%	2%

5.	CLLR. M NDIKINDA	P/T	GOOD GOVERNANCE PUBLIC PARTICIPATION & ETHICS	ANC	100%	0%
6.	CLLR. THOBELA NODLIWA	P/T	MPAC	ANC	99%	1%
7.	CLLR. BUYISWA GAVEN	P/T	LED	ANC	95%	5%
8.	CLLR. ANDA MPATUSE	PT	LED	ANC	98%	2%
9.	CLLR. KUNGEKA SIGWAYI	P/T	BSD, WOMAN'S CAUCUS	ANC	99%	1%
10.	CLLR. ERNEST FIPAZA	P/T	MPAC	ANC	100%	0%

11.	CLLR. NONYUSILE NGOLOTHI	P/T	LED	ANC	99%	1%
12.	CLLR. MNIKELO VINCENT MURU	P/T	BASIC SERVICE DELIVERY,	ANC	99%	1%
13.	CLLR. SONWABILE TOYANA	P/T	MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	ANC	95%	5%
14.	CLLR. LUYANDA MPUNZI	P/T	MPAC	ANC	97%	3%
15.	CLLR. SIYABULELA MDABUKA	P/T	MUNICIPAL FINANCIAL VIABILITY,	ANC	95%	5%
16.		P/T	LED	ANC	80%	20%

	CLLR. NOSIPHO STAFANA					
17.	CLLR. NOSIPHO NANCY NTSHONTSHO	P/T	MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	ANC	95%	5%
18.	CLLR. LUNGISA MAHOBE	P/T	MFV	ANC	85%	15%
19.	CLLR. PHUMELELE METHU	P/T	GGP	ANC	90%	10%
20.	CLLR. SHEPSTONE THETHEMINI SITWAYI	P/T	MPAC	ANC	98%	2%
21.	CLLR. NONCEDILE KOPOLO	P/T	BSD	ANC	90%	10%

22.	CLLR. SILULAMI NDINISA	P/T	MUNICIPAL TRANSFORMATION &INSTITUTION, PUBLIC PARTICIPATION & PETITION	ANC	96%	4%
23.	CLLR. LULAMILE KHUMELWANA	P/T	GGP	ANC	98%	2%
24.	CLLR. BONISWA SITHELA	P/T	MFV	ANC	98%	2%
25.	CLLR. NOKANYO MAGATYA	P/T	MPAC	UDM	98%	2%
26.	CLLR. WILSON GENYANE	P/T	MUNICIPAL TRANSFORMATION &INSTITUTION	ANC	97%	3%

27.	CLLR. TAMELLA NOKELE	P/T	MPAC	ANC	100%	0%
28.	CLLR. PHUMZILE MSARO	P/T	GGP	ANC	97%	3%
29.	CLLR. THEOPHILUS MANELISI NXUSANI	P/T	BASIC SERVICE DELIVERY	ANC	98%	2%
30.	CLLR. PATRICK PATUXOLO ZUMA	P/T	MFV	ANC	99%	1%
31.	SIMOTHULELE LABHATALA	P/T	GGP	ANC	99%	1%
32.	CLLR CELIWE GENYANE	P/T	GGP	ANC	75%	25%

33.	CLLR. BABALWA MAJAVU	F/T	RULES COMMITTEE	ANC	100%	0%
34.	CLLR. SIBINGIBINGI	F/T	WHIPS	ANC	99%	1%
35.	CLLR. MIRRIAM KUNGEKA MAKAPELA	F/T	MAYCO, BSD	ANC	96%	4%
36.	CLLR. NOLUSINDISO NKOMONYE	P/T	BSD, GGP	ANC	90%	10%
37.	CLLR. NOLUMANYANO NTOMBENKOSI NGOMTHI	P/T	MAYCO AND MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT, GGP, LLF	ANC	98%	2%

38.	CLLR. NOMBONGO APLENI	P/T	MAYCO, MFV, MTI, LLF	ANC	98%	2%
39.	CLLR. FIKISWA NDAULE	P/T	MAYCO, MFV, GGP	ANC	97%	3%
40.	CLLR. XOLISWA MORRIN TYODANA	P/T	WOMENS CAUCUS MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	ANC	95%	5%
41.	CLLR. NOLUNDI GXAMTWANA	F/T	MAYCO, BSD, LED, LLF	ANC	99%	1%
42.	CLLR. NOMVUYISEKO MGEDESI	P/T	MAYCO AND LED	ANC	97%	3%
43.	CLLR. PAKAMA PATRICIA KONDILE	F/T	LED	ANC	100%	0%

44.	CLLR. LUDWE MANTSHIYOSE	P/T	WHIPS	ANC	100%	0%
45.	CLLR. NOMABANDLA MIRRIAM MKHEDAMO	P/T	WOMAN'S CAUCUS, LED	ANC	97%	3%
46.	CLLR. SAMKELO NICHOLAS JANDA	P/T	MAYCO	ANC	95%	5%
47.	CLLR. NOSIPHO GANDA	F/T	MPAC	ANC	100%	0%
48.	CLLR. MANGALISO SABELO JAFTA	F/T	MFV	ATA	97%	3%
49.	CLLR. BHOMELA	F/T	GGP	BPM	99%	1%

50.	CLLR. FEZEKA MBIKO	F/T	MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT, WHIPS, LLF	DA	85%	15%
51.	CLLR. MPENDULO HERBERT GWESHA	P/T	LED	PAC	90%	10%
52.	CLLR. D T TSENGWA	P/T	MTI	UDM	50%	50%
53.	CLLR. NTSIKELELO MAHLATI	P/T	MFV	UDM	90%	10%
54.	CLLR. NOLUVO TYELINGANYE	P/T	BASIC SERVICE DELIVERY	UDM	85%	15%
55.	CLLR. USIVILE MBONELI	P/T	GGP, WHIPS	UDM	95%	5%

56.	CLLR. MZIMKULU TETYANA	P/T	LED	UDM	90%	10%
57.	CLLR. YOLISWA GRISSEL MHLATHI	P/T	BASIC SERVICE DELIVERY	UDM	95%	5%
58.	CLLR MNTUWAKHE TAKANI	P/T	MFV	UDM	60%	40%
59.	CLLR. NYAMEKA MONGEZI	P/T	BASIC SERVICE DELIVERY	ATM	95%	5%
60.	CLLR. ASANDA MATSHOBENI	P/T	MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT, LED	EFF	98%	2%
61.	CLLR L. MDINISO	P/T	MFV, WOMANS CAUCUS	EFF	95%	5%

62.	CLLR ZANELE MBOXELA MAGAZI	P/T	MPAC	EFF	99%	1%
63.	CLLR B. DUMEZWENI	P/T	MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	EFF	95%	5%
TRADITIONAL LEADERS SERVING IN THE MUNICIPAL COUNCIL						
1	ZUNGUZANE	P/T	MPAC	CHIEF	100%	0%
2.	MANXIWA	P/T	LED,	CHIEFTAIN	95%	5%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (Other than Mayoral/Executive committee) and Purpose of Committees	
Municipal Committes	Purpose of Committee

(i) With due regard to the extent of the functions and powers of the municipality, the need for the delegation of those functions and powers in order to ensure efficiency and effectiveness in performance and the available financial and administrative resources of the municipality to support a committee, the	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)

Council may, in terms of Section 80 of the Structures Act- establish one or more Committees **Standing Committees:** Municipal l Transformation and nal Development rvice Delivery l Financial Viability Economic Development (ii) Good Governance and Pubic Participation	
2.The Rules Committee	(i) The purpose of the committee is necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers in

	terms of Section 79 of the Municipal Structures Act (Act No 117 of 1998) (ii) To develop, formulate and adopt policy concerning the exclusive business of the Council including its proceedings, procedures, rules, orders and practices;
➢ MPAC	(iii) The purpose of the committee is necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers in terms of Section 79 of the Municipal Structures Act (Act No 117 of 1998) (iv) To perform an oversight function on behalf of council, including, but not limited to, overseeing expenditure of public funds and the utilization of Council resources;
➢ Women's Caucus	(i) Working towards profile building of women councilors for effective capacity building. (ii) Ensure gender mainstreaming and equity within municipal processes. (iii) Re-affirm and strengthen partnership and networks that support women in local

	government and other spheres of government and civic society. (iv) Act as an advisory and consultative body for all women councilors raising and representing their interests within Municipal Council structures.
➢ Public Participation Committee	➢ To encourage active involvement of communities and community organizations in the affairs of the municipality; ➢ To ensure the consideration, monitoring and tracking of petitions lodged to the municipality; ➢ To ensure that timeous feedback is given to Petitioners; ➢ To ensure adherence to Community Complaints and Petitions Handling Policy; Public Participation Policy; Public Participation Strategy and communication strategy are in place
➢ Training & Equity Committee	The purpose of the committee is necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers in terms of Section 79 of the Municipal Structures Act (Act No 117 of 1998)
➢ Whippery Committee	To discuss and process matters relating to political management of the institution

➢ Local Labour Forum	The purpose of the committee is to strengthen the working relations between the employer and the employee
➢ Audit Committee	The purpose of the committee is to function in line with section 166 of the Municipal Finance Management Act 56 of 2003
➢ Risk Committee	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
➢ IGR Forum	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
➢ IDP, Budget & PMS Technical Steering Committee	The purpose of the committee to provide technical support towards assisting the Mayoral Committee in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
➢ IDP, Budget & PMS Steering Committee	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
➢ IDP, Budget & PMS Rep Forum	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
➢ Local Communicators Forum	

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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	**Director/Manager (State title and name)**
Municipal Operations	Thabisa Goniwe-Mafanya), Babalwa Magqwanti, Anele Mtyhida, Sisa Baliso, Siyabulela Tyali and Gcina Sityata
Developmental Planning	Lithalobom Mtirara, Mbeko Sibaca
Infrastructure Services	Chuma Lusanda Makonza, Thulani Masangwana
Corporate Services	Nonzwakazi Hanise, Sisa Gobingca, Xolisa Susela
Budget & Treasury Office	Yanga Dyonase, Bongumusa September and Nkosinathi Mbedla.
Community Services	Lungisa Bongo,Sinesipho Mboxo.

APPENDIX D- FUNCTIONS OF MUNICIPALITY/ENTITY

Municipal/Entity function		
Municipal Function	Function applicable to municipality (Yes/No)	Function applicable to entity (Yes/No)
Air pollution	No	
Building regulations	Yes	
Childcare facility	Yes	
Electricity & Gas reticulation	No	
Firefighting services	No	
Local Tourism	Yes	

Municipal Airports	No	
Municipal Planning	Yes	
Municipal health services	No	
Municipal public transport	No	
Municipal public works in respect of the needs of the municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this	No	
Pontoons, ferries, jerries, piers and harbours, excluding the regulation of national and international shipping matters	No	
Stormwater management systems in built-up areas	No	
Trading regulations	No	
Water and sanitation services limited to portable water supply system and domestic wastewater and sewage disposal system	No	

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APPENDIX E – WARD REPORTING

The following Ward Councillors and Ward Committee are comprised of the current and previous members who either passed on, resigned or removed during the financial year 2024-2025.

Name of Ward Councillor / Ward Committee	Ward and Title	Status of office
Neziswa Jack	Ward 05 Ward Committee	Resigned
Linda Ntantala	Ward 12 Ward Committee	Resigned

Functionality of Ward Committees					
Ward Name (Number)	**Name of Ward Councillor and elected Ward committee members**	**Committee established (Yes / No)**	**Number of monthly Committee meetings held during the year**	**Number of quarterly reports submitted to Speakers Office on time**	**Number of quarterly public ward meetings held during year**
Ward 1	**Cllr A. Tyatyaza** • Nomfusi Mniki • Bonganie Owen Mndondo • Luxolo Magwentshu	**Yes**	**1**	**1**	**none**

	• Nomfundo Teressa Sofika • Sindisa Mkhiva • Khanyisa Ntantala • Ntombovuyo Jama • Nezisa Tyalisi • Fikiswa Makeleni • Buyisile Mgayo				
Ward 2	**Cllr P.N. Tomose** • Zandile Babana • Siyamboleka Tyeshani • Vusumzi Abraham Madalane • Sindiswa Sitwayi • Portia Matshexana • Phicile Joseph Skota • Nomzwandile Francina Voko • Buyiselwa Ndabeni • Sandiso Ndzo • Mlungiseleli Maxawulana	**Yes**	**1**	**1**	**none**
Ward 3	**Cllr Z.C Gobinduku** • Tabisa Roji • Nonkumbulo Mntwini	**Yes**	**12**	**4**	**none**

	• Monwabisi Gadlela • Bolekwa Sangqu • Nosipho Winkiness Zide • Nomamane Bomoyi • Snovuyo Janyawuli • Nokuzolo Cynthia Thuthu • Philani Ntshingo • Nokubonga Ndevu				
Ward 4	**Cllr S. Futshane** • Akhona Zwemu • Mthethunzima Stiwga • Maneli Mduba • Zukiswa Mbi • Nonkoliso Manko • Mziwoxolo Njengele • Bobo Welcome Mthombeni • Andiswa Fikiso • Nobantu Diniso • Funeka Damoyi	**Yes**	**9**	**1**	**0**
Ward 5	**Cllr M. Ndikinda** • Ntombeqgira Nyholo • Nomfuneko Faniso • Busiswa Matokazi	**Yes**		**1**	**None**

	• Simon Sitembele Fulanisi • Zoliswa Makatisi • Bambalwa Munnick Ndikinda • Kholekile Mdlatu • Nandipha Jack-Mhambi • Sifanele Damba • Buyiswa Jack				
Ward 6	**Cllr T. Nodliwa** • Mphumzi Alson Hlwele • Sonwabo Sagaxa • Vuyelwa Tikana • Galelekile Alson Ngubesilo • Nomzamo Siyo • Nokwanda Mpumpumiso • Masonic Siqwephu • Phelokazi Zondani • Sivuyile Zandile • Menzi Jongisa	**Yes**	**24**	**1**	**4**
Ward 7	**Cllr B. Gaven** • Mlamli Siyikili	**Yes**	**1**	**1**	**0**

	• Ndiboleke Peter • Bulelwa Ngoza • Nomfundo Veronica Jevu • Zanele Molo • Amdiswa Mdashe • Ncumisa Futshane • Siyamcela Dyakopu • Nolukholo Siyo • Nokulunga Swaartbooi				
Ward 8	**Cllr A. Mpatuse** • Siyabulela Menziwa • Mthwesi Mlenzana • Thumeka Best • Nomsa Gwadiso • Siphakaphaka Magcweka • Nombuyiselo Gelem • Mtundini William Sikuni • Lindiwe Mcalu • Vuyani Faku • Morriva Nake	**Yes**	**1**	**1**	**0**
Ward 9	**Cllr K. Sigwayi**	**Yes**	**None**	**0**	**None**

	• Bulelwa Henrietta Sijaji • Bathandwa Coyotte Masani • Mzingisi Elliot Ngwedla • Mzimkhulu Wellington Nombila • Nokwanguye Mbulawa • Mfuzo Maqgaza • Nonkazimlo Ngqongwa • Nomfefe Khaile • Phindiwe Gqagqa • Nomancebo Gina				
Ward 10	**Cllr E. Fipaza** • Philiswa Gladys Seretse • Zukisani Cravel Xhalabile • Zimbini Nontsapho Magqazana • Nosiniya Mangisa • Simphiwe Herbert Mbukuqu • Noma-Indiya Thandathu	**Yes**	**1**	**1**	**None**

	• David Nyangiwe • Nolusindiso Siko • Ntutuzelo Nxiweni • Mncedisi Bambiso				
Ward 11	**Cllr N. Ngolothi** • Nolusapho Krishe • Stanford Lumnkile Nciyo • Anelisa Mjiwu • Malgas Magazine Mbuyiseli Gwadiso • Sigadla Talita • Nonkululeko Vaice • Noloyiso Matsheke • Nosapho Nqanqali • Fezeka Lindiwe Kwati • Nompucuko Jilingisi	**Yes**	**0**	**4**	
Ward 12	**Cllr M.V Muru** • Nokuphumla Zenzile • Nozabo Kuk • Xolile Tsatsisa • Sibongiseni Mehlwana • Phumla Mangaliso • Samuweli Maphelwula	**Yes**	**12**	**4**	**none**

	• Noluthando Cordllia Mfazwe • Hothewu Nelson Kaleni				
Ward 13	**Cllr S. Toyana** • Nophumzile Vevetya • Nomvuyiso Mswelanto • Sivuyile Mgwede • Ondela Dwakasa • Andisiwe Mgudlwa • Nomathamsanqa Tshinini • Nozethu Matutu • Phindiwe Sybil Fojile • Thandeka Tyushani • Mtutuzeli Melitata	**ýes**	**0**	**0**	**0**
Ward 14	**Cllr L. Mpunzi** • Yoliswa Nomfundiso Ntini • Nomlindo Khohliso • Nosebenzile Khadoyi • Alfred Onke Delani • Nikithemba Siga • No-one Florence Sanda	**yes**	**1**	**1**	**0**

	• Mhlangabezi Sixaba • Khungiwe Mnukwa • Sidima Beme • Bolekwa Dani				
Ward 15	**Cllr S. Mdabuka** • Nomalizo Mangxola • Nomsa Finiza • Andiswa Mputi • Bulelwa Mtshokotsho • Loyiso Tini • Celiwe Qwelayo Bhusmane • Lindeka Nonkatha • Nozukile Bhityileyo • Phakama Nana • Mawetu Smause	**Yes**	**0**	**1**	**0**
Ward 16	**Cllr N. Stafana** • Neliswa Nompho • Falangile Ratirati • Zwelinzima Demfu • Welcome Ngwenya • Lindiwe Bhungeni • Nomvelwano Bomvu	**yes**	**0**	**1**	**0**

	• Siphiwo Tshaka • Bradley Leonard Isaacs • Dumisa Mdanda • David Nyawana				
Ward 17	**Cllr N.N Ntshontsho** • Mbekeni Colbert Tyali • Solomzi Steven Mjanyelwa • Melumzi Sihoni • No one Zwekibhangile • Nosintu Nkelembisa • Yizani Dunyiswa • Mnikelo Bontsolo • Rodole Manqobo • Sindiswa Maliwa • Thumeka Magade	**yes**	**0**	**4**	**0**
Ward 18	**Cllr Mahobe** • Nosebenzile Bhulu • Nothemba Balindlela • Msukeni Mdlali • Manelisi Siyeka • Feziwe Venevene • Lusindiso Mandla	**yes**	**0**	**1**	**0**

	• Onke Galaweni • Feziwe Tyali • Sihle Ngamntwini • Mbulelo Mpiyonke				
Ward 19	**Cllr P. Methu** • Lungile Zokwana • Nosipho Banjwa • Philemon Fanekaya Ntsomi • Dumisani Ngubenja • Thembile Nyalivani • Vumile Maleyile • Nomawele Ndabeni • Zulu Mnyasa • Monwabisi Tongwana	**Yes**	**0**	**1**	***0***
Ward 20	**Cllr Sitwayi** • Nokholekile Sindiswa Majambe • Nowethu Ginyamathe • Nosiviwe Makhwezi • Ndileka Marhabula • Sityhilelo Succcess Madingana • Thandeka Manini • Cingiswa Nobhola • Thamkazi Jo	**yes**	**0**	**4**	**0**

	• Nozukile Siloko • Mlamli Dalindyebo				
Ward 21	**Cllr N. Kopolo** • Mkhuseli Siko • Khayalethu Kaka • Mesuli Matsoko • Nomapholi Constance Ndilele • Phindiwe Mgweje • Gcinithemba Welcome Mzantsi • Nosisa Cynthia Ndabeni • Ntombovuyo Dlova • Amanda Nyembezi • Nosithembele Nontsasa Phandle	**yes**	**0**	**1**	**0**
Ward 22	**Cllr S. Ndinisa** • Nompilo Sidlanga • Zizo Delihlazo • Kolekile Sitshaka • Nompotisho B. Mthini • Thobeka Nukani • Noziphiwo Nkohla • Nonkqubela Yoli	**ýes**	**12**	**4**	**0**

	• Sikhumbuzo Ndindi • Nosinala Ranuga • Nontobeko Matshini				
Ward 23	**Cllr L. Khumelwana** • Siphokazi Lwangu • Mawethu Theophilus Nosilela • Nkululeko Gebeshu • Ntomboxolo C. Zweni • Gibson No- Asiphe Tshephe • Ntombokuqala Meje • Sibongile Sydney Mngesi • Zoleka Kondile • Nobahle Mchelesi • Vuyiswa Mgwebi	**Yes**	**10**	**1**	**1**
Ward 24	**Cllr B. Sithela** • Mzowonke Maqhubela • Sanele E. Masebeni • Bonakele Sidiya • Nolula Sikobi • Nokulunga Dyomfana • Welisa Maninjwa • Vusumzi Makaya	**Yes**	**2**	**1**	**13**

	• Nosiphelo Wagraya • Phelisa Bangeni				
Ward 25	**Cllr N. Magatya** • Auldfrea Dlulane • Mbiko Nonyameko • Sibongile Elias Batyi • Lindelwa Mdlalo • Rose Nocingile Lubaxa • Notwocent Patricia Ngwaca • Noludwe Gladis Kasa • Nokusasa Tshetu • Nkosinathi Nongwane • Fundile Gunguluza	**Yes**	**1**	**1**	
ward 26	**Cllr W. Genyane** • Vuyani Mathambo • Ntombencinci Jebe - Jebe • Funeka Mtata • Bonginkosi Nqabeni	**Yes**	**1**	**1**	

	• Nikiwe Diliza • Nokwenzeka Msiswa • Mbulelo Hagu • Smith Mavathulana • Mpumelelo Joker Balindaba • Sithandiwe Notoyi				
Ward 27	**Cllr T. Nokhele** • Bangile Cishe • Ngubezulu Mlanjeni • Champion Mqokeleli Mahlanyana • Sinethemba Mhaga • Malusi Malangeni • Londoloza Mzendana • Thobeka Filane • Nandipa Qina • Skoki Qavane • Sisonke Ntontela	**Yes**	**1**	**1**	
Ward 28	**Cllr P. Msaro** • Nkosiphendule Nkundla • Nandipha Madlebe • Nokubonga Nkatshu • Nomakhaya Saqoni • Ntombifikile Vepulana	**yes**	**1**	**1**	**0**

	• Mncekeleli Hlahla • Chumani Mlawu • Boniwe Gcuwa • Nojelasi Khoniseni Mkhwambi • Ntohlekisa Nqandeka				
Ward 29	**Cllr Mayiji** • Madilakhe Ndabeni • Lunga Lenox Kondlo • Ntombetshezi Mcetywa • Mkhuseli Selby Tununu • Mlungiseleli Maxhiniva • Nolundi Dlova • Nobahle Florence Mtawuli • Mzwabantu Ngalo • Nomziyanda Dunga • Noteko Sokudela	**Yes**	**1**	**1**	**0**
Ward 30	**Cllr P.P Zuma** • Xolelwa Xhelo • Bongekile Malingatshoni	**Yes**	**1**	**1**	**0**

	• Nolundi Mpakama • Unathi Faith Siganagana • Phandlekazi Maqwelane • Nomazizi Ivy Mnukwa • Madevu Nowakhe • Thingaza Moshile • Noluthando Sityata • Zoleka Vivian Sigobongo				
Ward 31	**Cllr S. Labhatala** • Ganed Nkqi • Nobuhle Grace Gaga • Sinazo Mazongolo • Nokwanele Olivia Mgengo • Nosisa Dumezweni • Phindile Eric Majola • Gcobisa Getrude Gwele • Nokhephu Qwesha • Nokwakha Mhlanga • Noluvuyo Sigaba	**Yes**	**1**	**1**	**None**

Ward 32	**Cllr C. Genyane** • Thethani Mbhofithi • Noluthando Nomgcana • Nonkululeko Kruxu • Ntombizandile Qhijana • Thandeka Mphikwa • Nontuthuzelo Jwara • Nosakhele Nogingxa • Nokubonga Ndayenjani • Lungile Toyiya • Lalendle Dikolokhwe	**Yes**	**1**	**1**	**0**

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

CONSOLIDATED AUDIT COMMITTEE RESOLUTION REGISTER/REPORT TO THE COUNCIL OF MBHASHE MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2025

Purpose of the resolution register/report:

To provide the Audit Committee and Senior Management with progress on the resolutions that were taken during the meeting of the Audit committee. On a quarterly basis Audit Committee recommendations are reviewed to assess level of implementation by management

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APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)			
Capital Projects: Seven Largest in Year 0 (Full List at Appendix O) R ' 000			
Project Name and Details	**Start Date**	**End Date**	**Total Value**
Sport facilities Ward 25	23-Nov-17	22-Oct-24	R 57 634 490.33
Sport facility phase 01 ward 01	15-Jan-23	15-Sep-25	R 29 465 237.84
Ntlonyana Bridge -Ward 20	20-June-23	19-Sep-25	R 18 743 885.18
Msikithi access road ward 08	21-Feb-23	17-June-25	R 20 384 117.20
Riverview to Langeni Access Road Ward 13	10 May 2023	19 June 2025	R 16 646 002.11
Xhora Mouth Bridge Ward 19	01 July 2024	31 August 2025	R 21 195 344.68

Ngumbela Sport Facility Phase 3 Ward 02	21 October 2024	21 April 2026	R 30 605 819.49

BASIC SERVICES PROVISION					
DETAILS	**WATER**	**SANITATION**	**ELECTRICITY**	**REFUSE**	**HOUSING**
Households with minimum service delivery	ADM	ADM	58754	36074	20091
Households without minimum service delivery	ADM	ADM	1370	24050	40033
Total House holds			60124	60124	60124

TOP FOUR SERVICE DELIVERY PRIORITIES PER WARD		
NO	**Priority Name and Details**	**Progress During Year 0**
1	Municipal Roads Constructed	13.4km
2	Municipal Roads Maintained	103.2km
3	Electrification (Grid Connections)	11.3km's link lines
4	Community Services infrastructure	3 sport fields and 1 Community Hall

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

CONSOLIDATED AUDIT COMMITTEE RESOLUTION REGISTER/REPORT TO THE COUNCIL OF MBHASHE MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2025

Purpose of the resolution register/report:

	AUDIT COMMITTEE RESOLUTIONS					
	Item No.	**Resolution**	**Action Owner**	**Progress**	**Evidence**	**Status**
	AUDIT COMMITTEE RESOLUTIONS 2023 & 2024/25					
	6.1	During discussion of the minutes by the audit committee the following were recommended: (xv) For previous minutes, Audit Committee to send review notes to Internal Audit for consideration and corrections.	Internal Audit Manager	Done	Revised AC minutes	Done
		(xvi) Minutes should also reflect names of the people attended the meeting	Internal Audit Manager	Done	Revised AC minutes	Done

	AUDIT COMMITTEE RESOLUTIONS					
	Item No.	**Resolution**	**Action Owner**	**Progress**	**Evidence**	**Status**
		(xvii) The minutes of the meeting should be circulated to Management and AC at-list 7 days after the meeting	Internal Audit Manager	Done	Revised AC minutes	Done
		(xviii) All minutes of the AC should be considered for all Audit Committee meetings.	Internal Audit Manager	Done	Revised AC minutes	Done
	6.2 (I)	During discussion of internal audit reports, audit committee noted and recomended that there should be one tracker report/register, to track all the progress regarding the resolutions from both the audit committee, internal audit and also the audit implementation plan	IA Manger	Done-There are 3 tracker registers in place: (xix) Audit committee resolution tracker (this one) (xx) AGSA findings (Audit implementation plan) and (xxi) IA Findings We also developed a resolution register for risk management	Internal audit tracker document	Done

	AUDIT COMMITTEE RESOLUTIONS					
	Item No.	**Resolution**	**Action Owner**	**Progress**	**Evidence**	**Status**
	(II)	During discussion of the situation analysis of the unit(internal audit unit),Audit committee recommended that Internal Audit should develop and submit to AC, a strategic document that will detail about functionality and status of the unit in terms of skills/trainings and systems required to ensure that the unit is effectively functioning.	IA Manger	Report on situational analysis of the unit is in place that list the staff resource of the unit	Internal audit situational analysis	Done

	(III)	During discussion of the trainings and systems relevant to the internal audit unit, AC recommended that: Internal Audit to submit a proper costing of Teammate solution system, CAATs systems and submit to Corporate Services. This will assist HR to plan and consider this in their budget to acquire the above-mentioned systems.	IA Manger	Specification of the internal audit system software has been developed, signed by the senior manager and submitted to BTO for further consideration. Bid tender for Internal audit tool or solution has been passed all the stages of evaluation and now is on advert. Regular follow-ups will be made to SCM to enquire about any progress in regards to this system	Specifications and bid evaluation results	In progress

	AUDIT COMMITTEE RESOLUTIONS					
	Item No.	Resolution	Action Owner	Progress	Evidence	Status

	AUDIT COMMITTEE RESOLUTIONS					
	Item No.	**Resolution**	**Action Owner**	**Progress**	**Evidence**	**Status**
	6.3	During discussion of the annual report that need to be considered by the council before submission to AGSA, recommended that: Management should submit the unaudited performance report to council.	SM Operation	Done	Report on unadited APR	Done
	6.4 (i)	During discussion of the section 52d report, AC recommended that: To manage issue of effective implementation of capital projects, Management should be pro-active and start procurement processes in time. The procurement process should start at-least 3 months in advance before the project start date.	ALL HOD's	This is responsibility of the infrastructure department as they have to do Pre planning phase of the project and submission of specification.	Report on managfement of capital projects	Done

	AUDIT COMMITTEE RESOLUTIONS					
	Item No.	**Resolution**	**Action Owner**	**Progress**	**Evidence**	**Status**
	(ii)	During discussion of section 52d report under the section of generation of our own revenue, AC recommended that: CFO to submit and present a detailed implementation of the credit control policy on the next audit committee meeting.	CFO	It's done and it will be presented in the next ordinary committee and a reminder, be set before inclusion in the AGENDA	Presentation on credit control policy	Done

	AUDIT COMMITTEE RESOLUTIONS					
	Item No.	**Resolution**	**Action Owner**	**Progress**	**Evidence**	**Status**
	(iii)	During discussion of section 52d report, AC observed certain gaps in the report and advised CFO to amend the Section 52(d) to ensure that waste and expenditure has been disclosed.	CFO	Done in July	Amended Section 52d report	Done

	AUDIT COMMITTEE RESOLUTIONS					
	Item No.	**Resolution**	**Action Owner**	**Progress**	**Evidence**	**Status**
	6.5	During discussion of the audit committee work plan, AC recommended and instructed Internal Audit to request AGSA to present a progress report on the external audit on the next Audit Committee meeting	Internal Audit Manager	Done	Progress report on the external audit conducted	Done
	6.6	During discussion of the internal audit reviews performed on the infrastructure management, AC recoemnded that: The report on infrastructure management reviews performed by the IA unit to be revised and circulated to AC member in order for chair to be able to prepare the report that will be table to council.	Internal Audit Manager	Done	Revised infrastructure audit report	Done

	AUDIT COMMITTEE RESOLUTIONS					
	Item No.	**Resolution**	**Action Owner**	**Progress**	**Evidence**	**Status**
		During discussion of the ICT report in regards to the management of Mbhashe ICT steering committee, AC recommended and resolved that: Management should send a request to Amathole District Municipality, COCTA and SETA to request ICT Chairperson that will assist as a chairperson for Mbhashe ICT steering committee meetings as shared services	SM: Corporate Services	Done	Corresponce from the municipality to Mathole requesting their manager ICT to be a chairperson for Mbhashe ICT steering committee or any documentation like appointment letter	Done

AUDIT COMMITTEE RESOLUTIONS						
	Item no	**Resolutions**	**Action Owner**	**Progress**	**Evidence**	**Status**
	6.1	During discussion of the AFS, AC recommended and resolved that: For the item on review of the AFS, Municipality should consider the Internal Audit plan and internal audit recomendations more especially the issues highlighted by AGSA	Internal Audit Manager	Done	Updated AFS reflecting issues raised by internal audit as resolved	**Done**
	6.2	During discussion of the AFS, AC recommended and resolved that: The Municipality considers the AFS more special the issues highlighted by AGSA in the previous financial year.	CFO	Done	Revised AFS	**Done**

	6.3	During discussion of the annual performance report Annual Financial Statements(APR &AFS, AC recommended that: Management and IA work over the rest of the week and to finalise the documents for submission and proposed a follow-up meeting on Monday Evening 30 August to finalise the issues.	Chairperson	Done	Final set of AFS	**Done**

AUDIT COMMITTEE RESOLUTIONS						
	Item no	**Resolutions**	**Action Owner**	**Progress**	**Evidence**	**Status**
	6.2 **(I)**	During discussion of the AFS and APR, AC recommended and resolved that: ➢ Management to submit all the outstanding information to internal auditors for further reviews to complete the AFS reviews	Mbhashe Management	Done	Revised AFS	**Done**
	(II)	➢ IA to make further reviews to ensure that all outstanding information is effected to the report	Internal Audit Manager	Done	Revised AFS	**Done**

	(III)		➢ APR after reviews and correction of identified items be submitted to AGSA for annual audit	Management	Done	Revised APR	Done
	6.3	(i)	Annual Financial Statement were approved by Audit Committee and will be submitted to AGSA for annual audit	AC Members and CFO	Done	Final set of AFS	Done

AUDIT COMMITTEE RESOLUTIONS

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	Item no	**Resolutions**	**Action Owner**	**Progress**	**Evidence**	**Status**
	6.2	During discussion of the progress in terms of the audit committee resolution register or report, audit committee recoemended and resolved that: The progress and status of the resolution register/report should be reported on a quarterly basis to all audit committee meetings with management comments	**IA Manager**	**Done**	Updated resolution register	**Done**
	6.3	During discussion of audit committee minutes and matters arising, AC recommended that: For previous minutes, Audit Committee to send review notes to Internal Audit for consideration and corrections.	**IA Manager**	**Done**	Revised audit committee minutes	**Done**

AUDIT COMMITTEE RESOLUTIONS

	Item no	Resolutions	Action Owner	Progress	Evidence	Status
	6.1	During discussion of audit committee minutes and matters arising, AC recommended that: Minutes should specify names of the members made comments during the meeting discussions	Internal audit manager	Done	Revised minutes	**Done**
	6.2	During discussion of the action plans for all targets that were not achieved in the previous quarter, AC resolved that: Action plans for targets not achieved in previously quarters should be monitored implemented and reported to avoid underperformance	All HOD's but coordinated by SM: Operations/PMS	The action plan is in place and implemented although there are still gaps in fully implementiung of other plans for targets previously reported as not achieved through many reasons according to different departments	Revised management action plan report	**Done**

	6.3	During discussion of the section 52d report, AC recommended and resolved that: Management should give assurance to Audit Committee that spending on conditional grants will be 100% towards year-end	All HOD's	FMG 100%	Quartely Report to reflect 100% spending on MIG	**Done**

AUDIT COMMITTEE RESOLUTIONS						
	Item no	**Resolutions**	**Action Owner**	**Progress**	**Evidence**	**Status**
	6.4	During discussion of AFS and APR, AC recommended and resolved that: BTO should ensure that all comments raised by Internal Audit and Audit Committee members in AFS are taken into consideration and resolved before the next Audit Committee meeting.	All HOD's	Done	Revised AFS set	Done

	6.5	During discussion of audit committee plan, AC recommended and resolved that: in all ordinary Audit Committee meeting a Resolution Register must be a standing item.	IA Manager	**Done** AC resolution report or register is a standing item only to the ordinary AC meetings but not to special meetings	Complete audit committee resolution register with management comments	Done
	6.6	During discussion of the annual internal audit plan, AC recommended and resolved that: Internal audit plan approved and it was also recommended that review of the SCM audit to be covered in the plan every year	IA Manager	**Done:** SCM audit, Its covered to the current internal audit plan of 2023 F/Y	Final approved internal audit plan	**Done**
	6.7	During discussion of the audit committee charter, AC recommended and resolved that: Chairperson must report to Council at least twice a year about the activities and controls of the municipality and the charter should be amended as such	AC Members	Done-AC will report twice a year to the council, ie Second quarter/Mid-year and end of the financial year	Resolution register and council resolution	**Done**

	6.7	During discussion of Internal audit annual plan, AC recommended and resolved that: budgeted hours for co-sourced audits must be reflected in the internal audit plan	IA Manager	Done: budget hours for cosourced projects reflected in the IA Plan	Internal audit plan reflecting hours for co-sourced audit assignments	**Done**
	6.8	During discussion of capacity for internal audit unit and trainings needs, AC requested and recommended that: On the next ordinary meeting the Senior Manager Corporate Service must update the AC members and management about the progress on recruitment process for internal audit position	MM & SM:Corporate Services	The vacancy has since been filled.(to assume duties on 1st March 2023)	Report on the recruitment on internal audit position	Done
	6.9	During discussion of capacity for internal audit unit and trainings needs, AC requested and recommended that: For the next programe of FMG interns (2023/24) Office of the internal audit should be provided with the intern with internal audit qualifications	MM& CFO	Done	Report on FMG interns	Done

	6.10	During discussion of the risk management report, AC recommended and resolved that: Risk Management should always be item for discussion during management and departmental meetings	ALL HOD's but led or coordinated by SM:Operations	Done	Agenda and minutes for management and departmental meetings to reflect item of risk management	Done
	6.11	During discussion of section 52d report, AC recommended that: Management should ensure that creditors are paid within 30 days as per the MFMA requirement to avoid fruitless and waisfull expenditure	CFO	Done	Section 52 report	**Done**
	6.12	During discussion of litigation report, AC recommended and resolved that: AC Recommended a physical meeting between the Legal manager and Ms Mponco(AC member) to further discuss the litigation register before the end of this year	Legal manager and Ms Mponco(AC Mmember)	Done	Minutes and attendnance register for the meeting conducted	**Done**

	6.13	During discussion of of audit committee charter and also stakeholders that suppose to attend audit committee meetings, AC recommended and resolved that ICT steering committee chairperson and MPAC should have a standing invitation to audit committee meetings	IA Manager	Done: They are invited to all audit committee meetings	Invitations and attendnance register for audit committee meetings	Done
	6.14	During discussion of the ICT report, AC recommended and resolved that: ICT Manager should submit the project implementation plan/report on planned 2023 ICT project with budget and cost and their status on implementation	SM:Corporate Services/ ICT Manager	Done: ICT report with status and budget is presented to AC Meetings on a quarterly basis	ICT project implementation plan report and audit committee minutes	Done

CHAPTER 6

AUDIT COMMITTEE RESOLUTIONS						
	Item no	**Resolutions**	**Action Owner**	**Progress**	**Evidence**	**Status**
	6.1	During discussion of the Annual Report(AR), AC resolved that: The Municipality to submit Annual Repot to council on the 30 August 2022 together with the Volume 2 of the AFS and APR so that after the council endorsed then should be submit to AG	ALLHOD's	Done	Final set of Annual report, AFS, APR and council agenda	**Done**

	6.2	During discussion of the performance information and physical verification of projects, AC resolved that: Management and IA Manager to update the AC members with the outcomes of the project verification that is going to be conducted by PMS office and IA on the 30 August 2022	SM: Operations & IA Manager	Done	Report on project verification	**Done**
	6.3	During discussion of internal audit annual plan, AC resolved that: After approval of the internal audit plan, Audit Committee chairperson requested the CAE to share the AC plan with the management once it is finalized so that they will know what the expected report from them on a quarterly basis.	ALL HOD's & IA Manager	Done	AC plan and email confirmation to management	**Done**

AUDIT COMMITTEE RESOLUTIONS						
	Item no	**Resolutions**	**Action Owner**	**Progress**	**Evidence**	**Status**
	6.1	During discussion of institutional performance report, AC requested and resolved that: management to correct all the gaps in the institutional performance report and re-submit all outstanding information to AC before 21/10 for approval.	All HOD's	Done	Revised institutional report	**Done**
	6.2	During discussion of the progress of the external audit, audit committee resolved that: Management must not hesitate to report to the committee all challenges and unresolved findings with AGSA during the external audit	All HOD's	Done	Report from management to AC about challenges and unresolved findings with AGSA	**Done**

	6.4	During discussion of the AC work plan against the institutional calender, audit committee resolved that: Risk management and ICT Committee meetings must be conducted/sitted before the AC meetings so as to allow them to report in Audit Committee meetings about their progress	ALL HODS's; IA Manager, ICT steering committee chaiperson & Risk committee chairperson	Done	Institutional calender	**Do ne**

AUDIT COMMITTEE RESOLUTIONS						
	Item no	**Resolutions**	**Action Owner**	**Progress**	**Evidence**	**Status**

	○ (i) (ii) (iii) (iv)	During discussion of the Annual Financial Stsatements and Annual Performance Report, audit committee resolved the following The Municipality must ensure that at least AFS plan and a complete set of AFS should be submitted on time to internal audit and audit committee for reviews Municipality should include all the AGSA findings including the one resolved during the audit in the audit action plan Municipality should ensure that all the reconciling issues like bank reconciliations are performed and reviewed	MM&CFO	Done	(v) AFS Plan (vi) Management action plans (vii) Reviewed bank reconciliations	**Done**
	○	During discussion of project management, AC resolved that: Monthly monitoring and reporting of project must be done by management.	ALL HOD;s	Done	Departmental progress report on project management	**Done**

AUDIT COMMITTEE RESOLUTIONS						
	Item no	**Resolutions**	**Action Owner**	**Progress**	**Evidence**	**Status**
	6.4	During discussion of compliance matters, audit committee further resolved that: Management to further research relevant Pound Management guiding compliance requirements(legislation) for it to be SPCA compliant.	Community Services	Done	Letter from the Legal and CVompliance section	Done

	6.5	During discussion of capacity under internal audit unit, AC resolved that: For 2023/2024 financial year, Municipality to ensure that position of risk officer is filled.	MM's office	Done	Done	done
	6.6	During discussion of internal audit trainings, AC resolved that: Corporate Services/training Committee should ensure that at least one training needs for internal auditors should be prioritised and attended by internal auditors	SM: Corporate Services	Done	Report on the trainings conducted	**Done**
	6.7	During discussion of the training needs of the municipality, AC resolved that: Corporate Services should ensure that all departments are represented by Senior Managers in the Training Committee	SM: Corporate Services	Done: All Senior Managers are members of the Training Committee.	Training committee reports and attendnance registers	**Done**

	6.8	During discussion of the OHS internal audit reviews, audit committee resolved that: OHS awareness including policies should be performed by the coordinating department (Corporate Services)	SM: Corporate Services	Done: OHS awareness was conducted and policies developed and some reviewed.	Report on the OHS awareness conducted	**Done**
	6.9	During discussion of the OHS internal audit reviews, audit committee resolved that: To ensure that OHS compliance matters are managed in the municipality, each department must have its OHS representative	SM: Corporate Services	Done: We have an OHS Committee where each and every department is represented.	Report on the OHS activities conducted	**Done**
	6.10	During discussion of the infrastructure management internal audit reviews, audit committee resolved that: Since there are still areas with no management comments, AC resolved that the internal audit reviews/report on infrastructure should be re-submit on the next meeting	IA Manager	Done	Revised infrastructure report	**Done**

AUDIT COMMITTEE RESOLUTIONS

	Item no	Resolutions	Action Owner	Progress	Evidence	Status
	6.2	During discussion of performance report and internal audit reviews, audit committee resolved that: Municipal Manager should ensure that Consequence management is applied to all those departments that have not submitted the required information to PMS unit and Internal Audit	Municipal Manager	Done	Consequence management report	Done
	6.3	During discussion of the draft plan for annual performance report, audit committee resolved that: Senior Manager-Operations should develop the Annual Performance Plan(APR) and submit to the next audit committee meeting	Senior Manager-Operations	Done	APR plan	done

	6.4	During discussion of plan of the AFS, Audit committee resolved that: Management should ensure that atleast the process of preparing the accounting and Annual Financial statements must be at 98% completed by 31 July 2023. This will provide amply time for reviews by assurance providers before submission to AGSA for annual audit	CFO	Done	Submission of AFS to AGSA and other relevant stakeholders	Done
	6.6	During discussion of internal audit plan, audit committee resolved that: Internal audit plan should cover and include the reviews on alignment between the SDBIP, IDP and budget for next financial year	IA Manager	This will be performed during May 2024	Report on the alignment between the IDP and budget	Done
	6.7	During discussion of the ICT report, audit committee resolved that: Audit Committee recommended that, ICT should provide a detailed ICT master plan in the next audit committee meeting	ICT Manager	Done: ICT master plan was presented in the audit committee meeting	ICT Master plan	Done

	6.8	During discussion of agenda items for audit committee meeting, AC requested and resolved that: Other items of risk management report, IA charters, Internal audit manager should arrange a special meeting for discussion of those documents	IA Manager	Done	Audit committee agenda to reflect audit charters and minutes of the meeting	Done

AUDIT COMMITTEE RESOLUTIONS

	Item no	Resolutions	Action Owner	Progress	Evidence	Status

	6.3	During discussion of internal audit tracker, audit committee reolved that: All internal audit recommendations as per the reviews perfromed must be implemented by management	All HOD's	Partially: There is still an element whereby management do not implemenet all the internal audit recomendations	Internal audit tracker refecting status on resolved findings	Partially done
	6.4	During discussion of internal audit annual plan, audit committee reolved that: Internal audit should ensure that the developed annual internal audit plan for 2023/24 financial year do have the hours attached to each project	IA Manager	Done: Annual internal audit plan for 2023/24 financial year have reflect hours per each project	Final internal audit plan	Done
	6.5	During discussion of assessment of audit committee in terms of the approved audit committee charter, AC resolved that: Referenced to circular 65 of the MFMA Act and also to the Mbhashe internal audit charter, audit committee members need to be assessed	All HOD's and IA Manager	COGTA issued the assessment forms for the AC members to complete. Still in progress	Final report	**Partially done**

	6.6	During discussion of audit committee work plan, AC resolved and recommended that: Management should consider increasing the rates/fees for audit committee members taking into consideration as well the preparatory time for their meetings	Municipal Manager	Done	Report on revised audit committee fees and council resolution	Done

AUDIT COMMITTEE RESOLUTIONS						
	Item no	**Resolutions**	**Action Owner**	**Progress**	**Evidence**	**Status**

	6.2	During the presentation of the internal audit report on reviews performed for the audit of investment opportunities of Planning and Development, it was recommended that Mbhashe management should learn and share from BCM and great kei municipalities for all those local investments for local economic development	Senior Manager: LED	Done: LED continues attend various Investment Promotion symposiums and events with the aim of direct investor lobbying. Thus, some of these events include: Africa's Travel Indaba and National Arts Festival.	Report and any communication done by Mbashe to BCM and great kei municipality for a learning in regards to investment opportunities	Done
	6.3	During discussion of management action plans towards the AGSA report and AOPO: Audit committee recommended that developed management action plan as per the AGSA report should be implemented and monitored on a quarterly basis to avoid reapeted findings from AGSA	All HOD's coordinated by CFO	Done	Updated management action plan	Done

<u>AUDIT COMMITTEE RESOLUTIONS</u>						
	Item no	**Resolutions**	**Action Owner**	**Progress**	**Evidence**	**Status**

	4	Chaiperson of the audit committee requested that in the next meeting, Municipal Manager should make a formal announcement of the newly appointed Senior Managers: ➢ CFO ➢ Senior Manager Operations and ➢ Senior Manager Community Services	Municipal Manager	Done	Audit Committee minutes	Done
	6.1 (i)	During discussion of Annual Performance report(APR) for 2023 FY, AC recommended that, Internal audit and Management should re-convene again to doscuss and resolve on the issues highlighted by internal audit during their reviews before submission to AGSA for annual external audit	Senior Manager-Operations and IA Manager	Done	Revised APR	Done
	6.1 (ii)	During discussion of AFS, AC recommended that internal audit should make a follow up on the implementation of the issues raised in the internal audit first review report. Second review by internal audit is also recommended before the last set of AFS is submitted to AGSA for annual external audit	CFO and IA Manager	Done	Revised APR	Done

	6.2 (i)	Infrastructure derpatment to produce both the report and pictures as evidence of illustration that the target was achieved to avoid ambiguity	SM Infrastructure	Done	Updated departmental report	Done
	(ii)	PMS should do monthly reviews in preparations of the quarterly reviewsso that at least PMS can have the POE upfront	PMS	Done		Done
	6.3(i)	Submit full internal Audit plan, progress plan and risk plan to the Audit committee.	Audit Manager	Done:	Draft Plan	Done
	(ii)	Internal Audit Traker to be submitted to members of AC	Audit Manager	Done	Tracker report	Done
	6.1	Municipality should engage with Treasury for a purpose to resolve on material issues identified by AGSA that could have a negative impact for overall opinion to audit report	CFO	Done	Management report	Done

	6.4	Provincial Treasury requested that section 72 report to be submitted to their office after it has been taken to Council. Treasury will also submit a formal report which will entail financial and non-financial information and that would be sent to MM for submission to the A.C. Mid-term performance report to be corrected to be ensure that it align with section 72 of the MFA	CFO	Done	Management report	Done
	(ii)	Consequence process should be applied/implemented to all departments not submitting required information to internal auditors and AGSA	ALL HODs	Done	Consequesnce management report	Done
	(ii)	Management should ensure that AGSA and Internal audit recommendations in regards to PMS are implemented to avoid repetitive findings	All HODs	Done	Internal audit tracker	Done

	6.5(i) (ii)	Audit committee to be updated about the progress on the appointment of the Senior auditor. Municipality should ensure that at least reasonable budget for trainings and projects is provided to the internal audit unit	Audit Manager	Done: Senior Auditor appointed	Appointment letter	Done
	6.6 (i)	Progress on the implementation of the management action plans in regard to ICT risks identified in the ICT audit should be monitored and reported quarterly to management and audit committee	SM:Corporate Services/ICT Manager	The ICT audit action plan is updated and report given on a quarterly basis.	Quarterly Report	Done

	6.7	Management should perform further investigation to determine whether the factors identified in the fuel report were justifiable in terms of ‘value for money’	CFO	Done: Officve of the CFO has made a comprehensive investigation and consequesnce management in regards to the fuel management/misuse and reasonable controls are in place to ensure that the area is effectively managed	Final report	Done
	6.8	Internal audit recommendations together with the tracker report and AGSA audit action plan should be part of management meeting to monitor progress and implementation	Municial Manager	Done: Internal audit tracker and audit implementation plan are discussed to all management meetings	Internal audit tracker reports together with the Management action plans in responding to the AGSA findings	Done
	6.10	Management should implement and monitor the audit committee resolutions. The register should be presented in all audit committee meetings	Municipal Manager and Audit committee chairperson	Done	Updated audit committee resolution register	Done

	6.2	Management should ensure that all the outstanding issues as highlighted in the internal audit report are resolved before the end of the financial year(Interim financials statements)	CFO	Done	Reviewed interim financial statements	Done
	6.3	The management to revise and amend the document as per municipal system act(Annual report road map)	SM Operations	Done	Reviewed Annual report roadmap	Done
	6.4	Mbhashe PMS framework should be reviewed to cover all issued as identified by the internal audit and forwaded to AC members.	SM Operations	Done	Reviewed PMS framework	Done

AUDIT COMMITTEE RESOLUTIONS						
	Item no	**Resolutions**	**Action Owner**	**Progress**	**Evidence**	**Status**

7	7.1	Risk management chaiperson requested that IA manager to filter out resolutions that must be addressed at risk management level.	Audit Manager	No issues yet, only the findings that have been identified in the first quarter risk management risk(assurance reviews on risk management)	N/A	Done
7	7.2	Audit manager to remind and send the audit committee resolution register to management on a monthly basis for updates and progress	Audit Manager	Audit committee resolution is sent to management on a qaurtely basis for them to provide progress on the issues raisded as resolutions	Done	Done
7	7.2.2	Audit committee requested and emphasized that only reports with management comments that should be discussed in the audit committee meeting	ALL HOD's	Only the audit reports with management comments that are presented to the meetings of audit committee	Done	Done

7	7.2.3	Infrastructure to consult and invite internal audit and PMS when they are attending their projects on sites for the purposes to ensure that IA and PMS is conversant with the status quo of the infrastructure projects	Senior Manager: Infrastructure	In progresss	Done	Done
7	7.4	CFO will give a report back on how he will move forward with advertising for the third time on internal audit system or consider deviation and should also attach the expenses that have incurred starting from the 1st advert.	CFO	Internal audit system procured	Ssytem	Done
7	7.5	Audit committee recommended that, all the internal audit policies should be first presented to the audit committee before submitted to the council for approval and implementation Chairperson recommended that comments should be submitted on or before the 31st of July 2024.	Internal audit Manager	Before ther end of the financial year during May 2025 any changes to the internal audit documents will be first presented to AC members for consideration and approval before presented to council	-	Done
7	7.7	Internal audit to revise the internal audit plan as per the audit committee inputs and submit to the next audit committee for final approval	Internal audit manager	Done-revised internal audit plan was submitted to the meeting of 26 August 2024 for final approval	Done	Done

7	7.10	Since there is no ICT manager in the meeting, ICT report to be presented in the next audit committee meeting	Senior Manager: Corporate Services and ICT Manager	Done-ICT report was presented to the next audit committee meeting dated 26 August 2024	Done	Done

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AUDIT COMMITTEE MEETING AUGUST 2024

AUDIT COMMITTEE RESOLUTIONS						
	Item no	**Resolutions**	**Action Owner**	**Progress**	**Evidence**	**Status**
6	6.1.1	Resolution taken was that management must engage with internal audit in regards to review of APR and AFS in regards to the outstanding information or evidence and submit their responses before Friday, 30th August 2024	CFO and Senior Manager:Operations	Done	Updated AFS and Updated APR	Done

CHAPTER 6

1. **LEGISLATIVE MANDATE**

The Audit Committee is constituted in terms of sections 166(2) and 166 (6) (b) of the Municipal Finance Management Act, No. 56 of 2003 (MFMA) and Section 94 (7) of the Companies Act, No. 71 of 2008, as amended for Municipal Entities (Entities).

The Audit Committee is an independent advisory body which **must** advise the Council of Mbhashe local Municipality (Council), Accounting Officers, and the management staff of the Mbhashe Municipality (Municipality). It advises on matters relating to:

- Internal Financial Control.
- Internal Audit;
- Risk Management Processes.
- Financial Reporting;
- Performance Management.
- Governance;
- Compliance with Laws and Regulations; and
- Any other issues referred by the Municipality or its Entities.

2**. TERMS OF REFERENCE /AUDIT COMMITTEE CHARTER**

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The Audit Committee has adopted formal terms of reference, *hereafter referred to as the Audit and Performance Audit Committee Charter.* The audit committee is constituted in terms of section 166 of the MFMA and performs responsibilities assigned to it by the same act and also the council approved audit committee charter/terms of reference

The audit committee is a specially appointed subcommittee of council to assist the municipality in the execution of its duties. It performs an advisory role to the municipality and is accountable to council to properly consider and evaluate any matter that it must deal with or is referred to it.

The purpose of the audit committee is to assist and advise council in fulfilling its oversight responsibilities for the reporting process (financial and non-financial), the system of internal control over reporting, the audit process, risk management, performance management and evaluation, council's process for monitoring compliance with laws and regulations and council's code of conduct.

The AC charter shall be reviewed annually and updated to ensure relevance and consistency with the MFMA, Municipal Systems Act (No 32 of 2000) and other related regulations, guides, and best practice.

Following approval, the audit committee charter shall be published on the municipal website to promote awareness to all stakeholders.

3. COMPOSITION AND MEETINGS

(a) In compliance with circular 65 of the MFMA, Mbhashe audit committee consists of at least three members as required. During council policy review, audit committee charter was also reviewed and there was no gap or changes noted in the document for amendments.

THE COMMITTEE'S MANDATE

The broad objectives of the Committee are the following: -

The Committee is advisory in nature and does not have any executive powers.

The Committee will consider matters relating to management and the Council in the discharge of its duties to safeguard assets, operate adequate internal control systems, and review Annual Financial Statements, and on matters relating to performance management and performance evaluation.

The Committee will not perform any management functions or assume any management responsibilities as this could prejudice the objectivity of the Committee. The Committee will make recommendations to Council in respect of the activities which form part of the Committee's terms of reference/ responsibilities.

As per the schedule or plan, the following were applicable in the mandate of the committee:

Responsibilities related to management and internal control

Responsibilities related to the Internal Audit function

Responsibilities related to External Audit performed by the Auditor-General

Performance management and performance evaluation

Risk management

Compliance management

Review Annual Financial Statements

Special investigations and

Other responsibilities

The Audit Committee met at least more than 6 times including special audit committee meetings to deal with matters relating to the financial year of which amongst to those was to review the Annual Financial Statements of the municipality before they are submitted to AGSA for annual audit.

Members managed to assist the municipality by identifying at least all the material issues that the municipality need to correct and adjust before the financial statements are submitted to Auditor General by the 31 of August 2024

Monitoring of the risk registers and methods used to mitigate risks identified.

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For all the planned meeting for 2024/25 financial year, Managers together with Senior Management attended Committee meetings by invitation. Also, our stakeholders like Auditor General, Provincial Treasury and COGTA have standing invitees to our meetings.

Audit committee resolved that, for all their meetings, chairperson of the MPAC, Chairperson of the ICT steering committee and Chairperson of the Risk Committee should have a standing invitee to audit committee meetings.

Enterprise Risk Management Units and External and Internal Auditors have unrestricted access to the Audit Committee. The effectiveness of the Audit Committee as a whole and that of its individual members is assessed on an annual basis.

Mbhashe has appointed three audit committee members with a fixed term of three years (Ms Ntshanga-Chairperson, Mr Nombembe-audit committee member and Ms Hlongwana-audit committee member)

All the members managed to attend all six planned meetings except for Ms Hlongwana who has only attended five meetings instead of six meetings due to other commitments

The schedule of meetings and record of attendance by members is indicated below:

Schedule of Audit Committee Meetings relating to financial year starting from 01 July 2024 to 30 June 2025 and attendance of audit committee members.

SCHEDULE OF MEETINGS ATTENDED BY THE AUDIT COMMITTEE MEMBERS				
Name	**Name**	**Name**	**Name**	**Name**
Ms. Nomthandazo	Ms. Nomthandazo	Ms. Nomthandazo	Ms. Nomthandazo	Ms. Nomthandazo
Ms. Hlongwana	Ms. Hlongwana	Ms. Hlongwana	Ms. Hlongwana	Ms. Hlongwana

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Mr.Sikhumbuzo	Mr.Sikhumbuzo	Mr.Sikhumbuzo	Mr.Sikhumbuzo	Mr.Sikhumbuzo

STATUTORY DUTIES ASSOCIATED WITH AUDIT COMMITTEE MEMBERS

Mbhashe audit committee members in the execution of its statutory duties during the past financial year, members believed that:

the appointment of the AGSA, complies with the requirements of the MFMA, the Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DoRA) and Public Audit Act of South Africa, 2004 (Act No. 25 of 2004 (PAA);

In compliance with the act, audit committee managed to review annual external audit plan and the budgeted fee to be paid to the AGSA.

Members considered and noted management reports submitted by the Municipality to each meeting of the Audit Committee.

Members reviewed the quality, adequacy, accuracy and reliability of financial information.

Members reviewed and discussed the audited Annual Financial Statements with the Auditor-General.

Responded to any issues raised by Internal Audit and AGSA during the year.

Reviewed factors impacting on the financial sustainability of both the Municipality

Made submissions to the Executive Committee (MAYCO), and the Municipal Public Accounts Committee (MPAC), on any matters which in the opinion of the Audit Committee needed to be brought to the attention of the oversight structures, emanating from its quarterly meetings.

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6. RISK MANAGEMENT AND GOVERNANCE

The Audit Committee has received assurance from Enterprise Risk Management Committee (Risk chairperson and Municipal Manager together with Advisory, Internal Audit, Performance Management, Provincial Treasury and the AGSA and satisfied itself that the following areas have been appropriately addressed with respect to the Municipality:

Internal financial controls.

Compliance requirements.

Financial reporting risks.

Fraud risks as it relates to financial reporting.

IT Governance risks; and Legal Matters.

The Audit Committee believes that there is still room for improvement with regard to management, implementation and monitoring of the risk management to the municipality also in consideration of the risk associated with disaster.

6.1 Enterprise Risk Management

The following main activities were undertaken by the Audit Committee during the year:

Reviewed the quarterly management risk reports

Progress on implementation of mitigations for operational and strategic risks.

Emerging and new risk identified.

Other significant changes on the risks profile.

Recommendations: -

Below are the recommendations for management to consider

The alignment of strategic municipal processes to ensure that the annual development of risk profile takes place during Strategic Planning and is approved simultaneously with the Budget and Service Delivery and Budget Implementation Plan by MAYCO and Council.

The appointment of the Compliance Officer/Risk Officer by the municipality to ensure custody on the management of compliance risk and adherence to applicable laws and regulations.

The demonstration of active risk owner participation at operational levels and ongoing accountability for the management of risks at various risk governance structures.

The development of risk appetite and tolerance levels is critical in yielding the value add and to drive focus to exposure areas that are outside defined risk acceptable levels for the municipality.

Define, quantify, and implement risk appetite which will be supported by vigorous analysis, expert judgment and consistent with materiality and significance framework.

6. EFFECTIVENESS OF INTERNAL CONTROLS

During its meetings, as per its mandate reflected in the audit committee charter, the Audit Committee has managed to make the following reviews:

Reviewed the Municipality’s approach on its exposure to the business and financial risks and whether processes are in place to safeguard the assets.

Reviewed significant issues raised by the Internal and External Auditors.

Reviewed whether the financial systems can be relied upon in the preparation and presentation of financial statements.

Reviewed policies and procedures adopted for the prevention and detection of fraud.

Reviewed significant legal exposures and pending cases.

Reviewed residual risks arising from Enterprise Risk Management risk registers and controls implemented to mitigate risk.

Based on the processes and assurances obtained, we believe that the internal controls are effective in most areas, significant areas requiring improvements are addressed in the recommendations included in this report.

STATUTORY COMPLIANCE

The Audit Committee Reviewed the effectiveness of the system for monitoring compliance with laws and regulations at the Municipality.

The committee satisfied itself with the policies and processes implemented to provide the required assurance.

Audit Committee appreciate the effort shown by the management to develop the compliance policy or procedure manual to cover all compliance issues related to the municipal operations

Development of the governance and compliance policies including anti-fraud and corruption framework, code of ethics and consequence management policy.

PERFORMANCE INFORMATION AND EVALUATION

The Audit Committee has reviewed performance information provided by the Municipality as well as Internal Audit reports at quarterly meetings throughout the year. Whilst the Audit Committee is satisfied with the information provided, it is important that the

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Key Performance Indicators (KPI's) are comprehensive and relevant to ensure that the Municipality is able to effectively measure and monitor the performance of the Municipality and to implement measures to improve performance where required.

NB: The alignment of the results from key performance Indicators with what can attest to as service delivery remains a challenge where in the year under review there was a challenge of land claims which emanates from the previous years. This had a negative impact in the service delivery as a result some of the projects were delayed/not implemented.

Audit committee is impressed that the municipality is in a process to migrate from the manual system of performance to E-Performance system

Recommendations in regard to performance management

The following recommendations were suggested to the management for consideration to improve performance to the municipality:

Constantly review of the performance management framework or policy that will be aligned with the IDP/SDBIP of the municipality for effective achievement of the municipality

Development of the remedial action plans that will respond to the all targets reported as not achieved for the year

Improve the performance of the municipality more especial on the service delivery targets since they are the core business of the municipality

The Audit Committee recommends that the municipality should keep up the good work and continue performing the physical verification of the service delivery projects

EXTERNAL AUDIT (AGSA)

The Audit Committee reviewed the scope of the External Audit to ensure the critical areas within the Municipality are covered:

Reviewed the AGSA's report on issues arising out of the external audit and concurred with the clean audits/clean administration and unqualified with others matters for the Municipality; and

On a continuous basis, monitored the continued relationship between AGSA, the Municipality and the Internal Audit Unit not to duplicate procedures.

NB: Based on processes followed and assurances received from the AGSA, nothing has come to the attention of the Audit Committee with regards to any matter impacting on the independence of the Internal and External Auditors processes/program.

INTERNAL AUDIT

The Audit Committee has managed execute the following in regard to the internal audit unit:

Reviewed and approved the Internal Audit Plan and applicable policies like Internal Charter, Internal Audit Framework and Methodology

Exercised its statutory duty of oversight over the internal audit function.

Evaluated the independence, effectiveness and performance of the Internal Audit Unit in the fulfilment of its mandate.

Satisfied itself that the Internal Audit function has the necessary resources, budget and authority to enable it to discharge its duties.

Reviewed and approved the Internal Audit Plan; and

Encouraged co-operation between External and Internal Audit work.

A summary of the outstanding findings of all internal audits carried out by the unit during the year was reported quarterly. A consolidated report in as form of Internal Audit Tracker was presented to the management and to also to Audit Committee for consideration.

Audit Committee has noted that, there are still an element of not implementing hundred percent on the recommendations of the Internal Audit. The responses from the Management of the Municipality and its Entities to the internal audit findings were reviewed and where necessary corrective action was recommended, and implementation monitored.

10.1 Recommendations:

The following are recommended to the management

(i) At least all the recommendations made by the internal audit should be implemented by the management so as to avoid repeating findings raised by auditor general (AGSA)

(ii) Resolution and or recommendations by the audit committee members through a resolution register should be implemented

(iii) Management should ensure that, there are no repeating findings from the AGSA, so therefore the Audit Implementation Plan should be continuously monitored

(iv) Appointment of the Senior Internal Auditor to improve staff and skill in the unit should be considered

(v) Reasonable budget for the unit that will cover the issue of trainings

14. APPRECIATION

1. LEGAL AND OR STATUTORY REQUIREMENTS

Section 166 (1) (a) of the MFMA requires that each Municipality must establish an Audit Committee that advises Council on the following matters:

(1) Internal Financial control and internal audits.

(2) Risk management.
(3) Accounting policies.
(4) The adequacy, reliability and accuracy of financial reporting and information.
(5) Performance management.
(6) Effective governance.
(7) Compliance with this act, the annual division of revenue act and other applicable legislation.
(8) Any other issues referred to it by the municipality or municipal entity.
(9) Review Annual Financial Statements.
(10) Respond to Council on any issues raised by Auditor General.

2. BACKGROUND EXPOSITION, FACTS AND OR PROPOSAL

The following members were present in all the meetings mentioned above:

Mrs N Ntshanga

Mr S Nombembe

Mrs N Hlongwane

The discussions include the presentation by both management and internal audit on quarter 3 activities below:

3.1 MANAGEMENT REPORTS

3.1.1 Internal Audit Reports

Progress Report against the plan - The projects that were planned for implementation in the quarter under review are progressing well. The internal audit has noted similar challenges across the achieved projects which have not been improved by management: These are noted as follows:

- Delays on providing information and management comments when internal audit is conducted.
- Internal audit financial system has not been concluded because there are delays on concluding the service level agreement.
- Limited budget allocated for co-sourcing internal audit services.

3.1.2 Traffic Services Internal Audit Report

The audit focus on the traffic services include the following:

- Review whether existing policies and procedures which guide the Testing and licensing process of the municipality are implemented.
- Confirm whether the process flow and performing a risk and control assessment with line management, including, identification of key controls managing the risks inherent within the Testing and licensing process are adhered.

However, the audit conclusion shows that controls and compliance are partially effective. There are a number of findings which when addressed the controls can be effective.

Summary of findings includes:

FINDING
-Procedure manual inadequately defined.
-Municipality is operating with an unsigned Service Level Agreement (SLA)
-No trainings attended by employees.
-No storage or safe place to file DLTC documents.
-No Testing of Driver's licence since 2020 due to non-compliance with notice from the minister.
-DLTC and RA have no target on the SDBIP, and no reports produced and submitted to Standing Committees.
-Discrepancies noted in Learners License booking.
-Discrepancies noted in the handling of DLTC documents.

FINDING
-Department not fully compliant in reporting traffic management activities
I-inconsistency on the reconciliation report.
-Daily manual cash up reports, Enatis system printout and Transaction summary report does not agree with each other (Figures and quantities).

Audit Committee observations in the above findings are that there might be a confusion of non-implementation of some internal controls by management on services that are run on agency basis.

The training of employees that are not listed in the workplace skills plan, delays on making sure the testing centre is 100% compliant and targets relating to Enatis performance are not part of municipal performance management that might be the reason for control breakdown.

Management had agreed to all the above findings and have proposed remedial actions as advised by the internal audit. The Audit committee will continue to monitor the progress.

3.1.3 Interim Financial Statements for the year ended 30 June 2025

The Municipality took an initiative to draft the 9-months AFS and submitted to the internal audit for review. The main objective in the review was to ensure that financial statements are free from material findings and compliant with legislation especially GRAP.

FINDINGS
Findings were noted on Liabilities both current and non-current liabilities
Findings noted on total net assets
Findings noted on total expenditure
Findings noted on prior year adjustments
Findings noted cash and cash equivalents
Findings noted from receivables and non-receivables from exchange transactions
Findings noted on PPE

Findings noted on disclosure notes

With the above findings, management will be able to clean the annual financial statements. They have a baseline report as the first line of assurance before submission by the end August 2025. The Audit Committee will monitor the preparation of AFS till submission time.

Progress on the implementation of the previous audit findings is evident from current interim AFS as there is improvement on the audit of the year under review. Management has reported above 50% in corrective AG findings.

3.1.4 Risk Management Review

The internal audit conducted a review of risk management in order to provide management with specific feedback on the causal factors pertaining to the risk management process monitored by the municipality in the period under review.

Internal Auditors opinion is that the municipality is rated at a medium level with less issues and that are regarded as an improvement when compared with the previous quarter. The following observations have been made:

	Positive aspect observed	**Previous quarters**	**Quarter under review**	**IA Comments**
1	Submission of the POE files on time			Submission of the POE by the departments has been improved. Departments at least are submitting files within the required period
2	Updating of the departmental risk registers			Although there are still gaps, departments improved in updating their risk registers
3	Departmental meetings for discussing risk			Departments are consistently discussing the

				risk in their departmental meetings
4	Attendance of risk meetings by risk champions	▼	➡	Risk champs has improved in attendance of the risk meetings
5	Risk integration to other municipal	▼	➡	Risk is integrated with other activities

This report encourages as the Municipality show signs of adherence to risk management.

3.2 Management Reports

3.2.1 Performance Management quarter 3

The un-audited report was submitted by management with achieved targets as follows:

KEY PERFORMANCE AREA	TOTAL NO OF KPI'S	RATING 1	RATING 2	RATING 3	RATING 4	RATING 5	Not Applicable	Q3 2024/25 %	Q3 2023/24 %	Variance
MTI	**15**	**1**	**1**	**6**	**0**	**2**	**5**	**90%**	**91%**	**(1)**

SDI	25	0	1	13	1	1	9	100%	72%	28
LED	12	0	0	8	0	3	1	100%	100%	0
MFV	15	0	2	11	0	2	0	100%	100%	0
GGP	38	0	0	28	0	4	6	100%	97%	3
TOTAL NO OF KPI'S	105	1	4	66	1	12	21	99%	92%	7

99% achieved is a very pleasing performance and actually it is an improvement when compared with same period last year.

DEPARTMENTS	TOTAL No OF KPI	RATING 1	RATING 2	RATING 3	RATING 4	RATING 5	Not Applicable	Q3 2024/25 %	Q3 2023/24 %	Variance
Corporate Services	20	1	2	9	0	2	6	93%	89%	4
Infrastructure	24	0	2	15	0	0	7	100%	79%	21

Community Services	**17**	**0**	**0**	**11**	**1**	**2**	**3**	**100%**	**93%**	**7**
Developmental Planning	**23**	**0**	**0**	**15**	**0**	**4**	**4**	**100%**	**91%**	**9**
BTO	**20**	**0**	**2**	**17**	**1**	**0**	**0**	**100%**	**95%**	**5**
Operations	**32**	**0**	**0**	**26**	**0**	**4**	**2**	**100%**	**100%**	**0**
Total No of KPI's	**136**	**1**	**6**	**93**	**2**	**12**	**22**	**98%**	**92%**	**6**

Departmental performance also shows an improvement when compared to the previous year. The report also shows that corporate services has improved its performance by 4% and the Committee is convinced that 100% can be achieved.

The report was therefore recommended for approval. Findings of the internal audit will improve in the quarter 4 report and annual performance report.

3.2.2 Section 52d Report for quarter 3

Management submitted and stated that 65% of the operational budget has been spent as at end of quarter 3 while grant spending meant for capex was reported to be at 83% which was a commendable expenditure for the nine-months period . The Municipality continues to prove its going concern as by the end of March 2025, R 535m was cash in the Municipal bank accounts.

No irregular expenditure report in the quarter under review.

R15.2m was reported as additions from different government grants funding.

The report submitted is therefore supported by the Committee.

3.2.3 Litigation Report

Twenty-four cases were reported in the Municipal litigation register with a total of R 59m as a contingent liability, reserved in case the Municipality lose some of those cases in a court of law. New case of eviction of informal settlement was reported as an addition to the register. R 14m has been reported as contingent assets which municipality is the one that Sue. A total of R 677 000 has been paid for legal fees as at end March 2025.

The report was therefore noted.

3.2.4 Risk Management

The chair of risk committee reported that 42 mitigating actions for strategic risks were set and 40 were implemented by management which equates to 96%. 29 ICT mitigating actions were 14 and 100% were implemented as planned. 6 disaster risk actions were all implemented 100%.

Below is the table that shows the adherence of departments on strategic risks and fraud risks implementation plans:

STRATEGIC RISK REGISTER		
DEPARTMENT	**STRATEGIC RISK ACHIEVED**	**FRAUD RISK ACHIEVED**
MM'S Office	100%	100%
Planning & Development	100%	100%
Corporate Services	91%	100%
Infrastructure	100%	100%
Community Services	100%	100%
BTO	91%	100%

3.2.5 ICT Report 3rd quarter

Report on ICT activities were reported and noted.

3. Hand Over to the New Chair

It is important to note the following key points, which we advise the newly appointed audit committee chair take into account in order to move the municipality forward.

The Municipality is in a verge of getting clean audit, emphasis must be on monthly reconciliation:

1. The emphasis must graduate from 9 months AFS to quarterly AFS and be reviewed thoroughly by the internal audit.
2. Ensure that performance management maintains 100%.
3. Internal audit to conduct physical verification of projects quarterly even if it is assigned to co-sourcing. This notion stems from the point that AG audits Basic Service Delivery when auditing performance.
4. Review planning of the Municipality and ensure it addresses the service delivery.
5. Cascade performance management to lower levels.
6. Reward good performance as it has a tendency to boost workers morale.
7. Influence service delivery in other towns such as Elliotdale and Willowvale e.g. in-town road infrastructure (pavement), Water and Sanitation services of the towns are in completely neglect state.

8. Recommendation

It is recommended that council notes the report.

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

CHAPTER 6

NOT APPLICABLE

CHAPTER 6

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

NOT APPLICABLE

CHAPTER 6

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

	OFFICIALS	
64	M NAKO	YES
65	M.P MPAHLWA	YES
66	V. JAM JAM	YES
67	Z. MSIPHA	YES
68	N. NKUHLU	YES
69	S. COBOKANA	YES
70	N. MLUNGU	YES

WARD/PR	COUNCILLOR	
1. ANC	AYABONGA TYATYAZA	
2. ANC	NTOMBIFUTHI TOMOSE	

3. ANC	ZUKILE CHRISTOPHER GOBINDUKU	
4. ANC	SIMPHIWE FUTSHANE	
5. ANC	MZEKELO NDIKINDA	
6. ANC	THOBELA NODLIWA	
7. ANC	BUYISWA GAVEN	
8. ANC	ANDA MPATUSE	
9. ANC	KUNGEKA SIGWAYI	
10. ANC	ERNEST FIPAZA	
11. ANC	NONYUSILE NGOLOTHI	
12. ANC	MNIKELO VINCENT MURU	
13. ANC	SONWABILE TOYANA	
14. ANC	LUYANDA MPUNZI	

15. ANC	SIYABULELA MDABUKA	
16. ANC	NOSIPHO STAFANA	
17. ANC	NOSIPHO NANCY NTSHONTSHO	
18. ANC	LUNGISA MAHOBE	
19. ANC	PHUMELELE METHU	
20. ANC	SHEPSTONE THETHEMINI SITWAYI	
21. ANC	NONCEDILE KOPOLO	
22. ANC	SILULAMI NDINISA	
23. ANC	LULAMILE KHUMELWANA	
24. ANC	BONISWA SITHELA	
25. ANC	NOKANYO MAGATYA	
26. ANC	WILSON GENYANE	

27. ANC	TAMELLA NOKELE	
28. ANC	PHUMZILE MSARO	
29. ANC	THEOPHILUS MANELISI NXUSANI	
30. ANC	PATRIC PATUXOLO ZUMA	
31. ANC	SIMOTHULELE LABHATALA	
32. ANC	CELIWE GENYANE	
33. ANC	**JANDA SAMKELO – EXECUTIVE MAYOR**	
34. ANC	**BABALWA MAJAVU - SPEAKER**	
35. ANC	MANDLA SIBINGIBINGI	
36. ANC	MIRRIAM KUNGEKA MAKAPELA	
37. ANC	NOLUSINDISO NKOMONYE	
38. ANC	NOLUMANYANO NGOMTHI	

39. ANC	NOMBONGO APLENI	
40. ANC	FIKISWA NDAULE	
41. ANC	XOLISWA MORRIN TYODANA	
42. ANC	NOLUNDI GXAMTWANA	
43. ANC	NOMVUYISEKO MGEDESI	
44. ANC	PAKAMA PATRICIA KONDILE	
45. ANC	**MANTSHIYOSE L. CHIEFWHIP**	
46. ANC	NOMABANDLA MKHEDAMO	
47. ANC	NOSIPHO GANDA	
48. ATA	MANGALISO SABELO JAFTA	
49. BPM	BHOMELA Z	
50. DA	JONASE. N	

51. PAC	MPENDULO HERBERT GWESHA	
52. UDM	DONALD THAMSANQA TSENGWA	
53. UDM	NTSIKELELO MAHLATHI	
54. UDM	NOLUVO TYELINGANYE	
55. UDM	USIVILE MBONELI	
56. UDM	MZIMKULU TETYANA	
57. UDM	YOLISWA GRISSEL MHLATHI	
58. UDM	MNTUWAKHE TAKANE	
59. ATM	NYAMEKA MONGEZI	
60. EFF	ASANDA MATSHOBENI (NGQOLA N)	
61. EFF	BONGANI DUMEZWENI	
62. EFF	LETHU MDINISO / MADAKA	

63. EFF	ZANELE MBOXELA	
64. CHIEF	MANXIWA NN	
65. CHIEF	ZUNGUZANE AMOS	

APPENDIX K

(i): REVENUE COLLECTION PERFORMANCE BY VOTE

EC121 Mbhashe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2019/20	Budget Year 2020/21							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates		12,760	9,500	7,500	556	11,630	7,500	4,130	55%	7,500
Service charges - electricity revenue		–	–	–	–	–	–	–		–
Service charges - water revenue		–	–	–	–	–	–	–		–
Service charges - sanitation revenue		–	–	–	–	–	–	–		–
Service charges - refuse revenue		309	500	500	285	3,490	500	2,990	598%	500
Rental of facilities and equipment		1,653	1,850	1,850	111	1,620	1,850	(230)	-12%	1,850
Interest earned - external investments		5,743	3,500	4,000	1,256	5,717	4,000	1,717	43%	4,000
Interest earned - outstanding debtors		1,169	–	–	282	3,031	–	3,031	#DIV/0!	–
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2,103	1,500	500	6	2,249	500	1,749	350%	500
Licences and permits		2,024	1,200	200	272	2,417	200	2,217	1109%	200
Agency services		(786)	900	400	–	(940)	400	(1,340)	-335%	400
Transfers and subsidies		262,714	282,087	334,788	3,589	332,692	334,788	(2,096)	-1%	334,788
Other revenue		8,550	11,320	16,320	2,357	4,227	16,320	(12,093)	-74%	16,320
Gains		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**296,239**	**312,357**	**366,058**	**8,715**	**366,135**	**366,058**	**76**	**0%**	**366,058**

CHAPTER 6

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG R' 000						
Details	**Budget**	**Adjustments Budget**	**Actual**	**Variance**		**Major conditions applied by donor (continue below if necessary)**
				Budget	**Adjustments Budget**	
Equitable Share	249 464 000	341 100 000	341 100 000	0%	0%	Payment of salaries and other municipal operations

Other Specify:				0%	0%	
Finance Management Grant	1 700 000	1 700 000	1 700 000	0%	0%	Capacity Building for Finance Officials and appointment of Interns and systems enhancement
EPWP Incentive	4 147 000	4 147 000	4 147 000	0%	0%	Capacity Building and employment growth

Libraries	500 000	500 000	500 000	0%	0%	Library operations
Electrification	12 492 000	6 492 000	6 492 000	0%	0%	Electrification of municipal wards
Total	**281 729 162**	**354 389 000**	**354 389 000**			

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

Delete Directive note once comment is complete – Use this box to provide additional information on grant benefits or conditions and reasons for acceptance.

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CHAPTER 6

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

Applicable

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme

R' 000

Description	Year-0	Year-1			Planned Capital Expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY+1	FY+2	FY+3
Capital Expenditure by Asset Class							
Infrastructure - Total							
Infrastructure - Road transport- Total	71496000.00				0		
Roads, Pavements & Bridges	39338273,7	0					
Storm water		0			0		
Infrastructure - Electricity -Total	4 142 000.00				0		
Generation					0		
Transmission & Reticulation					0		
Street Lighting	3 000 000	0			0		
Infrastructure - Water-Total					0		
Dams & Reservoirs					0		
Water purification					0		
Reticulation					0		
Infrastructure - Sanitation -Total					0		

Reticulation					0		
Sewerage purification					0		
Infrastructure - Other -Total					0		
Waste Management					0		
Transportation					0		
Gas					0		
Community- Total					0		
Parks and Gardens					0		
Sport field and Stadia					0		
Swimming Pools					0		
Community Hall					0		
Libraries					0		
Recreational Facilities					0		
Fire, Safety and Emergency					0		
Security and Policing					0		
Buses					0		
Clinics					0		
Museums and Art Galleries					0		
Cementeries					0		
Social Rental House					0		
Other					0		
Total	42338273,7	0	0	0	0	0,00	0,00

** MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

CHAPTER 6

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade / Renewal Programme							
							R' 000
Description	**Year-0**	**Year-1**			**Planned Capital Expenditure**		
	Actual	**Original Budget**	**Adjustment Budget**	**Actual Expenditure**	**FY+1**	**FY+2**	**FY+3**
Capital Expenditure by Asset Class							
Infrastructure - Total							
Infrastructure - Road transport-Total	60000000				60000000		
Roads, Pavements & Bridges	51000000	0			51000000		
Storm water	9000000	0			9000000		
Infrastructure - Electricity -Total	4 142 000.00				0		
Generation					0		
Transmission & Reticulation					0		
Street Lighting	3 000 000	0			3 000 000		
Infrastructure - Water-Total					0		
Dams & Reservoirs					0		
Water purification					0		
Reticulation					0		
Infrastructure - Sanitation -Total					0		
Reticulation					0		
Sewerage purification					0		
Infrastructure - Other -Total					0		
Waste Management					0		

Transportation					0		
Gas					0		
Community- Total					0		
Parks and Gardens					0		
Sport field and Stadia					0		
Swimming Pools					0		
Community Hall					0		
Libraries					0		
Recreational Facilities					0		
Fire, Safety and Emergency					0		
Security and Policing					0		
Buses					0		
Clinics					0		
Museums and Art Galleries					0		
Cementeries					0		
Social Rental House					0		
Other					0		
Total	123000000	0	0	0	123000000	0,00	0,00

** MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

Capital Expenditure - Upgrade/Renewal Programme* R '000							
Description	Year 0	Year 1			Planned Capital		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	–	–		–	–	–	–
Infrastructure: Road transport -Total	–	–		–	–	–	–
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	–	–		–	–	–	–
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	–	–		–	–	–	–
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	–	–		–	–	–	–
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	–	–		–	–	–	–
Waste Management							
Transportation							
Gas							
Other							
Community	–	–		–	–	–	–
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	–	–		–	–	–	–
Buildings							
Other							
Table continued next page							

Table continued from previous page

Description	Year 0	Year 1			Planned Capital		
	Actual	**Original Budget**	**Adjustment Budget**	**Actual Expenditure**	**FY + 1**	**FY + 2**	**FY + 3**
Capital Expenditure - Upgrade/Renewal Programme*							**R '000**
Capital expenditure by Asset Class							
Investment properties	–	–		–	–	–	–
Housing development							
Other							
Other assets	–	–		–	–	–	–
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	–	–		–	–	–	–
List sub-class							
Biological assets	–	–		–	–	–	–
List sub-class							
Intangibles	–	–		–	–	–	–
Computers - software & programming							
Other *(list sub-class)*							
Total Capital Expenditure on renewal of existing assets	–	–		–	–	–	–
Specialised vehicles	–	–		–	–	–	–
Refuse							
Fire							
Conservancy							
Ambulances							

** Note: Information for this table may be sourced from MBRR (2009: Table SA34b)* T M.2

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APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 1

Not Applicable

CHAPTER 6

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

Capital Programme by Project by Ward: Year 0 R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		N/A
"Project A"		
"Project B"		
Sanitation/Sewerage		N/A
Electricity		None

Housing		
Destitute housing		None
Destitute housing		
Refuse removal	All Wards	Yes
Storm water	96	Yes
	1	Yes
	25	Yes
	13	Yes

Economic development		
Sports, Arts & Culture		
	25	Yes
Environment	N/A	

Health	N/A	
Safety and Security	Ward 1, 25 & 13	Yes
ICT and Other		

CHAPTER 6

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	**Scale of backlogs**	**Impact of backlogs**
Clinics:		
None		
Housing:		
Low Cost Houses in Gatyana	**0**	
Xhorha rectification	**292 houses**	
Licensing and Testing Centre:		
Dutywa	**1**	**Loss of revenue by the municipality.**
Reservoirs		
None		

Schools (Primary and High):		
None		
Sports Fields:		
Gatyana	1(completed)	

CHAPTER 6

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

None

CHAPTER 6

CHAPTER 6

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

N/A

RE: <u>REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS IN THE ANNUAL REPORT</u>

The following is the list of indicators that were agreed upon and on how the performance information should be populated:-

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	**Comments on the gap**
1	Vacancy rate for all approved and budgeted posts;	284	273	96%	
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	7	6	85%	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	7	7	100%	

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	**Comments on the gap**
4	Percentage of Managers in Technical Services with a professional qualification	2	2	100%	
5	Level of PMS effectiveness in the DM – (DM to report)				

CHAPTER 6

6	Level of effectiveness of PMS in the LM – (LM to report)	The Municipality does have the Performance Management Framework in the financial year. After the consultation process the municipal council adopted the PMS framework in July 2017. The performance agreements were signed by all section 56 managers. The municipality implemented the PMS framework and the PMS reports were done for the year as prescribed by the legislation.			
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	275	275	100%	
8	Percentage of councillors who attended a skill development training within the current 5 year term	75	74	98,6%	
9	Percentage of staff complement with disability	5	1	20%	
10	Percentage of female employees	275	129	46,9%	
11	Percentage of employees that are aged 35 or younger	275	123	44.7%	

12	Adoption and implementation of HRD Plan including WSP	30 April 2017	WSP 30 April 2017	100%	

CONCERNING TS

Delete this Appendix if all returns have been made in accordance with reporting requirements.

<u>Delete Directive note before publication</u>

	Indicator name	**Total number of household/customer expected to benefit**	**Estimated backlogs (actual numbers)**	**Target set for the FY under review (actual numbers)**	**Number of HH/customer reached during the FY**	**Percentage of achievement during the year**
1	Percentage of households with access to potable water	**Not a WSA nor WSP**				
2	Percentage of indigent households	**Not a WSA nor WSP**				

	with access to free basic potable water					
3	Percentage of clinics with access to potable water	**Not a WSA nor WSP**				
4	Percentage of schools with access to potable water	**Not a WSA nor WSP**				
5	Percentage of households in formal settlements using buckets	**Not a WSA nor WSP**				

Annual performance as per key performance indicators in Electricity services

Annual performance as per key performance indicators in sanitation services

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	58858	58858	17 133	17 133	100%
2	Percentage of road infrastructure requiring upgrade	58858	58858	0	0	0%
3	Percentage of planned new road infrastructure actually constructed	58858	58858	0	0	0%
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	58858	57684	1174	1174	100%

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	**60124**	**60124**	**60124**	**60124**	**100%**

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	910	None	None	None	0%

2	Percentage of informal settlements that have been provided with basic services	910	None	None	None	0%
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	Not known	N/A	N/A		0%
4	Existence of an effective indigent policy	The municipality is in the process of updating the Indigent Register.				
5	Existence of an approved SDF	2019/20 approved reviewed SDF				
6	Existence of Land Use Management System (LUMS)	Zoning Plans, Transkei Town Planning Scheme and SPLUMA currently in use.				

CHAPTER: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

Annual performance as per key performance indicators in LED

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	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	None	N/A	N/A
2	Percentage of LED Budget spent on LED related activities.	R5.5m	R4.7m	85%
3	Existence of LED strategy	Yes		
4	Number of LED stakeholder forum meetings held	3	3	100%
5	Plans to stimulate second economy	Yes	Yes	50%

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
6	Percentage of SMME that have benefited from a SMME support program	35	35 SMMEs	100%
7	Number of job opportunities created through EPWP	1540	1540	100%
8	Number of job opportunities created through PPP	None	55	100%

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	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year

1	Percentage expenditure of capital budget	38%	R 121 256 718	53%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	46%	R 103 474 974	34%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue	2%	R 7 001 817	3%

		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	23%	R 27 381 100	8%
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	100%	R 8 420 772	41%
6	Percentage of MIG budget appropriately spent	100%	100%	100%
7	Percentage of MSIG budget appropriately spent	100%	100%	100%
8	AG Audit opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion

9	Functionality of the Audit Committee	Effective	Effective	Effective
10	Submission of AFS after the end of financial year	31 August 2017	31 August 2017	31 August 2017

Chapter: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	100%	100%	100%
2	% of ward committees that are functional	100%	100 %	100%

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
3	Existence of an effective system to monitor CDWs	The Municipality does not have the effective system to monitor the CDW as they are not directly reporting to the municipality.		
4	Existence of an IGR strategy	The municipality developed an IGR Framework that was adopted by Council in May 2025 (reviewed on an annual basis) that is fully implemented and used as the Terms of Reference for the IGR Forum.		
5	Effective of IGR structural meetings	The IGR structural meetings are effective. The municipality included all the scheduled dates of the IGR in the calendar of events of the municipality which was adopted by Council in May 2025. The sector departments are invited on time and some departments are consistently present in the meetings. The municipality also developed clusters aligned to the 5 KPAs which are reporting directly to the full IGR. However, there are still departments who are constantly		

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
		not present, this has been uplifted to the District IGR and DIMAFO.		
6	Existence of an effective communication strategy	The municipality does have the communication strategy which was used in the financial year of 2024/25 FY. The reviewed communication strategy was adopted by council in May 2025.		
7	Number of mayoral imbizos conducted	32 wards	3 (in all 3 units, all 32 wards participated)	100%
8	Existence of a fraud prevention mechanism	The municipality has developed a Fraud Prevention Strategy in the financial year under review. Risk Management committee is in place and is chaired by the independent person.		

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
		Municipality is in a process to acquire a Fraud prevention hot line to enhance controls		

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.