DRAFT 2024/25 ANNUAL REPORT

AMAHLATHI LOCAL MUNICIPALITY

1. **VISION**

A resilient, sustainable people-centred local municipality

2. **MISSION**

A model municipality in partnership with its community through quality service delivery local economic development and public participation.

3. **CORE VALUES**

Accountability
Model
Accessibility
Healthy
Loyalty
Authentic
Trust
Honesty
Integrity

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ACRONYMS

IDP- Integrated Development Plan

PDP- Provincial Development Plan

SCM- Supply Chain Management

MIG- Municipal Infrastructure Grant

SDBIP- Service Delivery & Budget Implementation Plan

MRM- Moral Regeneration Movement

MPAC -Municipal Public Accounts Committee

FMG- Finance Municipal Grant

MSIG- Municipal Systems Improvement Grant

LLF- Local Labour Forum

MM- Municipal Manager

CFO- Chief Finance Officer

MTREF- Medium Term Revenue Expenditure Framework

GRAP- General Recognised Accounting Practise

SANRAL- South African National Road Agency Limited

SALGA- South African Local Government Association

ADM- Amathole District Municipality

NER- National Electricity Regulations

SMMEs- Small Medium and Micro Enterprises

HR- Human Resource

OHS- Occupational Health and Safety

MFMA- Municipal Finance Management Act

CCLR- Councillor

PR CLLR- Proportional Representative Councillor

PMS- Performance Management System

IGR- Intergovernmental Relations

DCF- District Communicators Forum (DCF)

DEDEAT- Department of Economic Development Environmental Affairs and Tourism

DRDAR- Department of Rural Development and Agrarian Reform

NGO- Non- Governmental Organisations

AFS- Annual Financial Statements

CIPC- Companies & Intellectual Property Commission

KPI- Key Performance Indicator

KPA- Key Performance Area

TCS- Traffic Contravention System

DPSA- Department of Public Services and Administration

VAT- Value Added Tax

AOPO- Audit of Predetermined Objectives

MTEF- Medium Term Expenditure Framework

SMART - Specific Measurable Assignable Realistic Time-related

HODs- Head of Departments (HO-Ds)

ICT- Information Communication Technology

PPE- Property Plant & Equipment

FAR- Fixed Asset Register

AC- Audit Committee

MPRA- Municipal Property Rates Acts

AG- Auditor General

FY- Financial Year

COGTA- Cooperative Governance and Tradition Affairs

KKH- Keiskammahoek

SLA- Service Level Agreement

DR- Disaster Recovery

IT- Information Technology

MEC- Member of Executive Council

Q1- Quarter 1

Q2- Quarter 2

Q3- Quarter 3

Q4- Quarter 4

AO- Accounting Officer

IA- Internal Audit

PPP- Private Public Partnership

N/A- Not Applicable

ALM- Amahlathi Local Municipality

EPWP- Extended Public Work Programme

GSFPA- Greater Stutterheim Fire Protection Association

UIF- Unemployment Insurance Fund

CA- Chartered Accountant

SA- South Africa

SPU- Special Programs Unit

LTO- Local Tourism Organisation

CTO- Community Tourism Organisation

LED- Local Economic Development

SALGBC- South African local Government Bargaining Council

CWP- Community Works Programme

MCCP- Mlungisi Community Commercial Park

DSRAC- Department of Sport Recreation Arts and Culture

EAP- Employment Awareness Programme

HRD- Human Resource Development

YTD- Year to Date

EEP- Employment Equity Plan

WSP- Workplace Skills Plan

LGSETA- Local Government Sector Education Training Authority

NERSA- National Energy Regulation South Africa

BTO- Budget and Treasury Office

MVR- Motor Vehicle Registration

SDI- Service Delivery and Infrastructure Development

MFV- Municipal Financial Viability

MTI- Municipal Transformation and Institutional Development

GGP- Good Governance and Public Participation

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

A. MAYOR'S FOREWORD

This is the annual report for 2024/25 financial year for the Amahlathi Local Municipality. This report is issued in the context that is defined by 31 years of democracy, in South Africa. The year 2024/25 also marked the first year of the Government of National Unity. The constitution of the Republic of South Africa provides for the establishment of local government as a distinct sphere of government. Local Government consist of municipalities that must provide a democratic and accountable government for local communities. The timing of this report is also a culmination of a past characterised by violent community protests related to service delivery. Amahlathi Local Municipality is led by a municipal council whose majority of councillors come from the African National Congress (ANC). The municipal council completed the first three years into the term of office that began in November 2021. The financial year of 2024/25 provided another wave of collective effort for the municipality to reconcile the service delivery gap between expectations of our communities and the actual delivery by the municipality.

We began by implementing the IDP and Budget Process plan. The first important activities included the rolling out a program for the needs' identification as part of mandatory consultations that must be done with communities. In this regard it is communities themselves that identified the projects to be implemented in 2024/25. Once again, the people of Amahlathi participated in good numbers during the public participation processes for IDP and Budget development. This successful account of delivery of goods and services to the people of Amahlathi Local Municipality proves beyond reasonable doubt that this government is the government of the people by the people for the people. The purpose of this report is to give an account to the people and stakeholders of Amahlathi Local Municipality which gave mandate to the council. This report is also required by law.

The Local Government: Municipal Finance Management Act, 56 of 2003 (MFMA) commands municipalities to prepare an annual report for each financial year. Section 127(2) of the Act requires that the Mayor, within seven months after the end of a financial year, to table in the municipal council the annual report of the municipality. The Annual Report is an account of how the municipality has taken up the challenge to grow the Amahlathi area, effectively engage the community and develop partnerships with the business sector. Section 46(1) of the Municipal Systems Act (MSA) requires municipalities to prepare a performance report for each financial year, setting out the performance of the municipality and its external service providers. The report should measure current performance against targets and performance in the previous financial year and outline measures to improve performance in the year ahead. The annual performance report must form part of the annual financial report. It is therefore my pleasure to present this Annual Report of Amahlathi Municipality for the period of 2024/25 to Council, the people of Amahlathi, the National and Provincial Treasury, the Local Government, Auditor General and other stakeholders.

As the municipality we were mandated by our communities to deliver basic services including solid waste management, electricity, internal roads and public infrastructure. Our role was to identify, budget for, implement, and measure performance on projects against targets using Service Delivery and Budget Implementation Plan (SDBIP). Informed by the performance of the previous year we targeted an institutional performance of 80% or more. This has been achieved because of our committed, dedicated and competent administration. In the process we have seen significant improvements in service delivery on the ground. Amahlathi is not the same as last term. The locality is a construction site and job opportunities are created. It is in this regard that the Office of the Mayor applauds the dedication displayed by our employees to accomplish this good work as if challenges did not mount as high.

We take pride of our territory's natural beauty featuring the Amathole Mountain Range with its natural forests and planted timber, the friendly N6 and the palatable vegetation of the Dohne Sourveld. The Amathole Mountain Range has provided an important feature throughout history of the amaXhosa as a nation. These are the mountains and shrubs which provided a fortress for the troops of iNkosi Jongumsobomvu ka Maqoma. Today these mountains and shrubs provide world class hiking trails from our which our people derive sustainable livelihoods. We have no choice but to use our natural resources sustainable as factors of production in our pursuit of local economic development. Doing so establishes a good foundation for an increased socio-economic emancipation to obviate the economic scourge of unemployment and thus unlock potential for competitive production in forestry, agriculture, tourism and manufacturing.

I would like to thank the community of Amahlathi Local Municipality for continuously believing in the municipal council, participating in the municipal programmes, their willingness to be part of the progressive collective. I would also like to extend my gratitude to my fellow Councillors, the Audit Committee, Senior Management and labour for their undivided commitment to collectively participate in our municipality's developmental agenda. The aim is to build and grow a resilient, sustainable and people centred Amahlathi Local Municipality.

Thank you.

Cllr. N Nongqayi
Her Worship, the Mayor
Amahlathi Municipality

B: STATEMENT OF THE MUNICIPAL MANAGER

This Annual Report captures Amahlathi Local Municipality's strategic focus, provides an overview on its performance and sets out Council's financial position for the 2024/25 financial year. This report also outlines the details of the various programmes managed by the Directorates of Amahlathi Local Municipality and how the municipality has performed towards meeting the set targets. The municipality firmly believe that it is on track towards meeting the growth and its set development targets although this year's challenges impacted negatively on the overall performance of the Municipality.

The municipal administration consisted of five directors who reported to the Municipal Manager. Their task was to implement policies and strategies passed by council to ensure proper service delivery.

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.

The key priority areas of the institution during the year under review find their expression in the Integrated Development Plan, Budget and Service Delivery and Budget Implementation Plan and include the following:

a) Institutionalisation of outcomes approach

b) Accelerating and improving access to basic services

c) Internal implementation of infrastructure projects using internal plants

d) Continuing to review and improving financial systems and procedures.

e) Address issues emanating from the Auditor-General's report for 2023/24 financial year.

f) Development of municipal by-laws

g) Public safety and law enforcement

h) Improving reporting, monitoring and evaluation

i) Capacitation of councillors and municipal employees.

j) Revenue Enhancement

k) Organizational Design

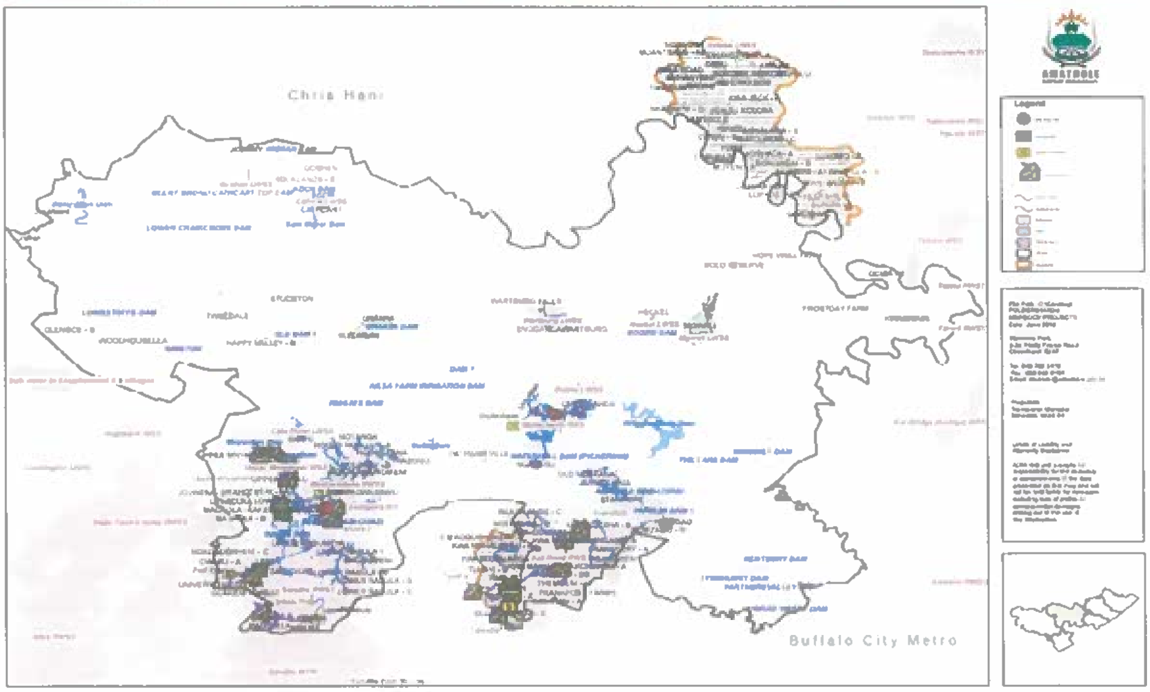
MUNICIPAL MANAGER
DR. Z SHASHA

C: EXECUTIVE SUMMARY

1.1 Municipal Manager's overview

Amahlathi Municipality is a category B collective executive type with ward participatory system. This locality is situated in the Northern part of the Amathole District Municipality and stretches about 4266.21km2 between Raymond Mhlaba, Buffalo City, Great Kei and Chris Hani District. Amahlathi Municipality has four small towns namely; Stutterheim, Cathcart, Keiskammahoek and Kei Road. Stutterheim and Cathcart are strategically placed along the N6 road with access to the rail and road network. Keiskammahoek is the agricultural hub with a majority of the population active within the agricultural sector. Kei Road is the most underdeveloped town followed by Keiskammahoek. The main municipal offices are situated in Stutterheim where the Council is accommodated. The locality includes the bulk of the Amathole Mountain Range, Dohne Sourveld, Gubu and Wriggleswade Dams. The municipality is the home of major economic and development giants like Manderson Hotel, Dohne Agricultural Research Institute, Rance Timbers, ANCA Foods and Newden. The Forest Way also provides the municipality great tourist attraction sites on the foot of Amathole Mountains. The locality receives an average annual rainfall of about 600mm and is blessed with good soils in various areas thus giving it a somewhat high agricultural potential. The main economic sectors are community services, finance, manufacturing, trade, agriculture, construction and transport.

AMATHOLE NEW DEMARCATIONS - AMAHLATHI

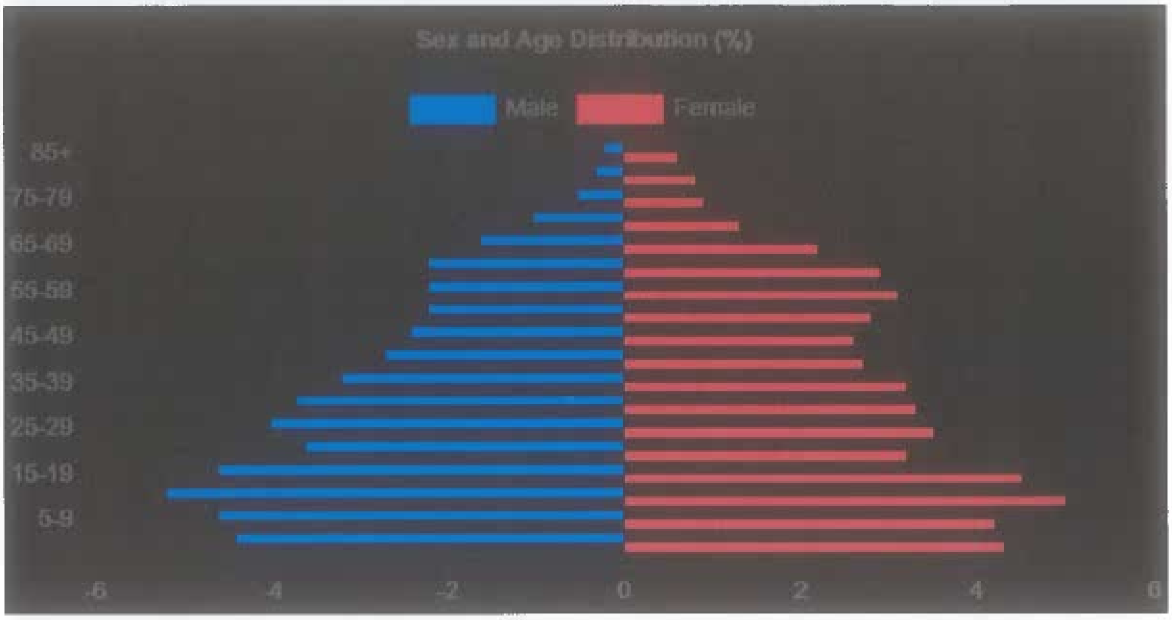


1.2 Population & Household dynamics

The population of Amahlathi has increased from **101 035 (2011) to 115 703** as per the 2022 Census by Statistics SA. This increase in population can be attributed to improved life expectancy, such as access to health facilities, job opportunities, improved safety in working environments, as well as the availability of services to the population residing in Amahlathi municipality. The number of households increase from **29 994** to **33 621** households. The population is unevenly distributed among the 15 wards.

Age and Gender Distribution

i. The gender distribution analysis of Amahlathi population reflects a similar pattern to that of the country with females accounting for 51.2% and males only 48.8%. Since females form the greater portion of the economically active population age groups 15 to 64 years, it will be strategic for the municipality to increase their participation in local governance issues.
ii. The population pyramid below provides a breakdown of the population estimates in the municipality by age group and gender for 2022. The population of the municipality shows a typical age structure of a very young population distribution. The economically active population (15-64) who are willing and able to work account for majority of the municipality's total population. Thus, the municipality has a well-balanced economic active population.



Source: Census 2022

1.3 Household Income distribution

It was estimated that in 2023 7.07% of all the households in the Amahlathi Local Municipality, were living on R30,000 or less per annum. In comparison with 2013's 24.23%, the number is more than half. The 72000-96000 income category has the highest number of households with a total number of 4 260, followed by the 54000-72000 income category with 4 020 households. Only 1.7 households fall within the 0-2400 income category.

1.4 Access to basic services

According to data below as presented by Statistics South Africa in their 2022 Census, over 80% of households in the past 15 years have access to water and electricity. However, during the two periods, access to water declined slightly although at high levels while significant increase in the provision of electricity was observed as more than 90% of households in the municipality. Access to electricity is reliant on infrastructure above ground with cables that are able to cover significant land area compared to services that are provided by infrastructure underground.

Toilet facilities remain at low levels. Challenges in providing sanitation services in most municipalities include in-ground factors and the soil type. The service is influenced also by the type of infrastructure the municipality should provide taking into consideration the topography of the municipality in terms of identifying of landmark features and vegetative land cover.

With regards to access to refuse removal much focus is required as levels are low and declining which is indication of high backlog levels. This could likely be a result of the sparsely distributed households including the access to the various wards in the municipality for the collection of the refuse. The high levels of refuse removal to a communal service indicates refuse being disposed in a central place by households as opposed to removal by the municipality or a service provider.

Table: Access to service delivery

Access to Basic Infrastructure	2011		2022	
	Households	% of households with access	Households	% of households with access
Main source of drinking water				
Access to piped water	26 269	92.0%	30 561	91%
No access to piped water	2 278	8%	3060	9%
Access to Sanitation				
Flush Toilets	7 640	27.5%	15592	46.40%
Chemicals	415	1.5%	643	1.9%
Pit Toilets	18 263	65.7%	16 237	48.3%
Buckets	67	0.2%	150	0.4%
Other	-	-	487	1.4%
None	1403	5.0%	514	1.5%
Energy for lightning				
Electricity	24 919	87.4%	31 878	94,80%
Other	3 590	12.6%	1 781	5.2%
Energy for Cooking				
Electricity	20 577	72.3%	23 323	69.4%
Other	7 880	27.7%	10298	30.50%
Access to refuse removal				
Removed by local authority at least once a week	7 113	24.9%	13 336	39,70%
Removed by local authority less often	96	0.3%	227	0,70%
Communal refuse dump	316	1.1%	1 323	3,90%
Own refuse damp	19 789	69.3%	16 067	47,80%
No rubbish disposal	1 150	4.0%	1471	4.40%

Source: Stats SA Community Survey 2016, own calculations

According to Census 2022 about 91% of the households in Amahlathi area access water from regional/ local water scheme operated by the municipality or other water service provider and only 9% that does not have access to piped water.

Electricity – 2022 Census as per the table above indicates that 94.80% of households at Amahlathi uses electricity for lighting compared to 87.4% calculated in the Census 2011 meaning there is a great improvement of about 7.4%.

Refuse removal - The statistics above indicate that about 47.80% in Census 2022 of Amahlathi households uses their own refuse dump as compared to 69.32% in 2022 and about 39.70% that have access to refuse removal at least weekly which is a great improvement compared 14.0% in 2011.

Natural Resources	
Major Natural Resource	**Relevance to Community**
Municipal Commercial Forest	Environmental aspect
Wetlands	Environmental aspect
	T 1.2.7

1.5 Financial Overview

The municipality's financial sustainability is visible from the large negative key ratios. The municipality adopted an unfunded budget. This is largely due to high creditors. Key successes achieved during the year included adoption of a budget surplus, reduction in distribution losses, third of Eskom debt written off. The municipality has developed a finance improvement plan to improve the municipalities financial sustainability. The municipality however remain reliant on Equitable Share and Conditional Grants.

Financial Overview: Year 2024/25 R' 000			
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants (excluding Capital)	145 504 900	146 284 900	146 341 301
Taxes, Levies and tariffs	92 774 786	110 241 947	131 414 081
Other	27 892 701	55 528 123	29 318 887
Sub Total	**266 172 387**	**312 054 970**	**307 074 269**
Less: Expenditure	308 577 094	298 302 791	317 291 099
Net Total*	**(42 404 707)**	**13 752 179**	**(10 216 830)**
** Note: surplus/(deficit)*			*T 1.4.2*

Operating Ratios	
Detail	**%**
Employee Cost	44%
Repairs & Maintenance	1%
Finance Charges & Depreciation	12%
	T 1.4.3

The Employee related costs operating ratio of 44% is higher than industry norm of 40% and significantly more than AR expected norm of 30%. Repairs and maintenance have an operating ratio of 1%, which is lower than the industry norm of 8% of Property, plant and equipment and significantly lower than the AR expected norm of 20%. Finance charges and depreciation operating ratio is 12%. There is no listed industry norm for this ratio and the AR expected ration refers to Finance charges and Impairment and not Finance charges and depreciation. The past adopted budgets had significant budget deficits. This has since been corrected resulting in total operating expenditure significantly decreased. This decrease in operating expenditure, negatively affected the above ratios.

Employee related costs and finance charges in its nature are expenditure items which are not easily reduced over the short term.

Total Capital Expenditure: Year -2021/22 to Year 2023/24			R'000	
Detail	Year 2021/22	Year 2022/23	Year 2023/24	Year 2024/25
Original Budget	31 130 100,00	39 791 000,00	33 877 200,00	62 147 850
Adjustment Budget	39 667 600,00	41 341 171,00	65 649 950,00	86 346 352
Actual	27 192 520,00	32 713 152,39	50 956 366.00	74 234 387
T 1.4.4				

The increase in Capital Expenditure from original budget to the adjustments budget is largely due to the approval of the Disaster Grant Roll over application and the allocation of the Small Town Revitalisation Grant from the Office of the Premier. The variance between the Actual and Adjustments budget are largely due to the adjustments budget including VAT and the actual expenditure incurred are reported excluding VAT.

1.6 Auditor General Report 2024/25 Financial Year

The Amahlathi Local Municipality received an unqualified audit opinion for the 2024/2025 audit and the following matters were identified.

Material uncertainty relating to going concern- note 48 to the financial statements, indicates that the municipality is unable to pay creditors within due dates and has negative key financial ratios, and that net current liabilities were realised. As stated in note 48, these events or conditions, along with the other matters as set forth in note 48, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

- Restatement of corresponding figures - As disclosed in note 47 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
- As disclosed in note 4 and 5 to the financial statements, material cumulative allowance for impairment losses of R118,5 million (2023-24: R89 million) and R55,5 million (2023-24: R53,7 million) was incurred as a result of a provision for impairment of debtors.
- As disclosed in note 54 to the financial statements, material losses of R12 million (2023-2024: R18.4 million) were incurred, which represents 20% (2023-24: 35.3%) of total electricity purchased. The total losses are attributable to normal losses and illegal connections.

Report on the annual performance report

The report was evaluated on the reported performance information for the selected material performance indicators 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. AG performed the procedures to report material findings only; and not to express an assurance opinion or conclusion and did not identify any material findings on the reported performance information for the selected indicators.

A detailed report on the AG's findings is attached as part of Annual report for 2024/2025 financial period.

1.7 Statutory Annual Report Process

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year Annual Report to Internal Audit and Auditor-General	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public, and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

The draft annual report was prepared in compliance with the Municipal Finance Management Act 56 of 2003 and Circular 63 of the MFMA was considered during the compilation of the report to ensure all components highlighted are addressed. The draft Annual report will be submitted to internal Audit for Review, Performance Audit Committee and be tabled to Council, Auditor General and MPAC for verification and be published for public comments. The final annual report will be submitted to COGTA MEC, Treasury and Legislature as legislated.

CHAPTER 2: GOVERNANCE

COMPONENT A. POLITICAL AND ADMINISTRATIVE GOVERNANCE

Institutional Structure of Amahlathi Local Municipality

The institutional Structure of Amahlathi Local Municipality is divided into two levels, the Political and Administrative Structures. The Administrative Structure is accountable to the Political Structure.

2.1. Political Structure of Amahlathi Local Municipality

The Principalship of Amahlathi Local Municipality lies with the Council with the Executive Committee as its primary committee to facilitate service delivery. The Mayor is the chairperson of the Executive Committee while Speaker is the chairperson of the Council. Whip of Municipal Council chairs the committee of Whips. The mayor is the political head of the municipality vested with powers to set out priorities over the financial affairs of the municipality in terms of Chapter 7 of the Municipal Finance Management Act.

Cllr N Nongqayi (Mayor)

Cllr N Mlahleki (Speaker)

Cllr P Qaba (Whip of Municipal Council)

The municipality has a total number of 30 Councillors where in 15 are ward councillors and 15 are proportional representative Councillors. The list and attendance of Council Meeting is appended as annexure A of this report.

The total number of Council Resolutions taken for the 2024/2025 financial year is 325

Resolutions	Total Number	Percentage
Implemented and Noted Resolutions	206	63,4%
In Progress	72	22,1%
Not Implemented	47	14.5%

LISTED BELOW ARE THE COMMITTEES THAT ASSIST COUNCIL IN CARRYING OUT ITS RESPONSIBILITIES;-

i. Executive Committee.

The Mayor of Amahlathi Local Municipality, **Honourable Cllr. N Nongqayi**, assisted by the Executive Committee, heads the executive arm of the Municipality. The Mayor is at the centre of the system of governance, since powers are vested in her to manage the day-to-day affairs. This means that she has an overarching strategic and political responsibility.
The executive committee consists of the Council members (chairperson of each standing committee) listed below and the heads of departments. Meetings are convened monthly but special meetings are convened when the need arises.

No.	Names
1.	Cllr Nomakhosazana Nongqayi
2.	Cllr Xola Tokwe
3.	Cllr Phatheka Qaba
4.	Cllr Nobathembu Kato-Manyika
5.	Cllr Busisa Xongwana
6.	Cllr Thamsanqa Balindlela

iii. Municipal Public Accounts Committee (MPAC).

The Municipal Public Accounts Committee is established to assist Council to fulfil its mandate of overseeing the Executive and the Administration.
The committee sits quarterly but special meetings are convened when the need arises. The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality. Below is the list of the members of the committee.

No.	Names
1.	Cllr Zukisa Qonto
2.	Cllr Xoliswa Neti
3.	Cllr Masixole Gantsho
4.	Cllr Phathuxolo Able Simandla
5.	Cllr. Nicholas Ncevu
6.	Cllr. N.V. Mjandana

iv. **Standing Committees**

In terms of Section 80 of the Municipal Structures Act, 1998, if a council has an executive committee; it may appoint in terms of section 79 committees of councillors to assist the executive committee or the mayor.

Section 79 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council. The meetings are held monthly meaning 12 sittings per year.

The portfolio committee members together with their Chairpersons are as follow:

a. Infrastructure Service delivery Committee

No.	Names
1.	Cllr X.Tokwe - Chairperson
2.	Cllr N. Nyangwa
3.	Cllr N. Mbulawa
4.	Cllr R.B. Pickering
5.	Cllr M. Nqini

b. Corporate Services Committee

No.	Names
1.	Cllr P. Qaba- Chairperson
2.	Cllr M.E. Maweni
3.	Cllr N.C. Mkiva
4.	Cllr M. Neku
5.	Cllr P.N. Onceya-Sauti
6.	Cllr N. Ngxakangxaka

c. Community Services Committee

No.	Names
1.	Cllr T. Balindlela – Chairperson
2.	Cllr A. Hobo
3.	Cllr N.Z. Klaas
4.	Cllr N.O. Sidinana
5.	Cllr M. Nqini
6.	Cllr N.V. Mjandana

d. Planning and Development Committee

No.	Names
1.	Cllr B. Xongwana - Chairperson
2.	Cllr N. Ngxakangxaka
3.	Cllr M. Busakwe
4.	Cllr M.E. Maweni
5.	Cllr. N. Salaze

e. Budget and Treasury Committee

No.	Names
1.	Cllr N. Kato-Manyika Chairperson
2.	Cllr N. Mbulawa
4.	Cllr N.Nyangwa
5.	Cllr R.B. Pickering
6.	Cllr M. Busakwe

v. **Other Committees**

Whips Committee

No.	Names
1)	Cllr P Qaba-Chairperson
2)	Cllr Moslina Nqini-
3)	Cllr Nosipho Cynthia Mkiva
4)	Cllr Nonkanyiso Charlie
5)	Cllr Ntombizonke Vivian Mjandanda
6)	Cllr Neliswa Mbulawa
7)	Cllr Ndileka Ngxakangxaka
8)	Cllr Zamuxolo Emmanuel Mfulana
9)	Cllr. Onke Mgunculu

Rules, Ethics and Integrity Committee

No.	Names
1.	Cllr. Phakama Budaza - Chairperson
2.	Cllr Ngenamazizi Orsmond Sidinana
3.	Cllr Mbeko Neku
4.	Cllr Nonkanyiso Charlie
5.	Cllr Ntombizonke Vivian Mjandana
6.	Cllr. Moslina Nqini

Local Labour Forum Committee

The Local Labour Forum is a consultative structure that only takes decision within its powers and functions. The main collective agreement confers to the Local Labour Forum powers and functions of negotiating and or consulting among other things.

- On matters of mutual concern pertaining to the employer which do not form the subject matter of negotiations at the council or Division

- On such matters as may from time to time be referred to such forum by the Council or its division.
- Concluding of minimum service level agreement

The Local Labour Forum is established with equal representation from trade unions and the employer with the trade union's representation divided in proportion to their respective membership. In the year (23/24) under review the Local Labour Forum was functional. 4 LLF meetings were held as follows:

No.	Dates of Local Labour Forum
1.	19 September 2023
2.	08 November 2023
3.	11 February 2024
4.	08 May 2024

a. COMPOSITION OF LOCAL LABOUR FORUM COMMITTEE

No.	Names
1.	Cllr. P. Qaba – LLF Chairperson
2.	Cllr. L. Sidinana
3.	Cllr. N. Manyika
4.	Cllr. R. Pickering
5.	Chief Financial Officer
6.	Ms. N. Nqulo
7.	Ms. A. Noholoza
8	Ms. T. Ndlamhlaba
9.	Mr. V. Msindwana – Labour Relations Officer
10.	Ms. T. Magwangqana -SAMWU Rep
11.	Mr. L. Nkongo -SAMWU Rep
12.	Mr. X. Roji-SAMWU Rep
13.	Mr. B. Sokrowa (Imatu Rep
14	Mr. V.Bambatha – SAMWU Rep
15.	Ms. A. Matiwane- SAMWU Rep
16.	Mr. Z. Mkosi- SAMWU Rep
17.	Mr. X. Njaba – Admin Officer

b. Audit and Performance Committee

The function of the Audit and Performance Committee is primarily to assist the Municipality in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements. The Audit and Performance Committee had 4 members listed below and should meet 4 times per annum as per its approved terms of reference.

NUMBER	SURNAME AND INITIAL	QUALIFICATION
1.	Smith L - AC Chairperson	CA (SA), Registered Auditor
2.	Mdani M - AC Member	Master's in business administration Post Graduate Diploma Management B.Tech HRM National Diploma in HRM

3.	M. Manxiwa - AC Member	Attorney (Registered with Legal Practice Council) Bachelor of Law Corporate Law Certificate
4.	N. Hermanus-Mabuza - AC Member	Professional Internal Auditor (PIA) – (IIA) Master's in business administration Certificate: Advanced Business Program National Diploma: Internal Auditing Certificate: Information System Computer Auditing Accredited: Internal Quality Assurance Review (IIA)

The Audit Committee had the following meetings during the year:

Ordinary Meetings	Special Meetings
23 Jul 2024	20 August 2024
28 October 2024	27 August 2024
22 January 2025	18 February 2025
22 April 2025	25 June 2025

c. Training and Employment Equity Committee

In terms of the regulations to the Skills Development Act, every organisation with more than 50 employees must establish an institutional forum (Training & Employment Equity Committee) for purposes of consultation with regards to skills development. The Training & Employment Equity Committee consists of the following Councillors and Officials, and it sit bi-monthly. In the year (2024/25) under review the Training and Employment Equity Committee was functional and meetings were held as follows:

No.	Dates of Training & Employment Equity
1.	25 September 2024
2.	11 December 2024
3.	25 April 2025

d. Composition of Training and Employment Equity committee

No.	Names
1.	Cllr. P. Qaba – TEEC Chairperson
2.	Cllr. N. Ngxakangxaka

3.	Cllr. NC. Mkiva
4.	Cllr. NA. Kato-Manyika
5.	Cllr. MA. Busakwe
6.	Cllr. Mlahleki N
7	Cllr R. Pickering
7.	Chief Financial Officer
8.	Ms. N. Nqulo – Director: Corporate Services
9.	HR Officer
11.	Skills Development Facilitator/Training Coordinator
12.	Occupational Levels: Representatives: - Senior Management - Professionally qualified & experienced Specialists & Middle Management - Skills -technical - Semi-skilled - Unskilled
13	• Imatu Representative
14.	• Samwu Representative
15.	• Non-Union member representative
16.	Mr. X. Njaba – Admin Officer/Secretariat

2.2 Administrative Structure of Amahlathi Municipality

The Municipal Manager is the head of administration. Directors as heads of departments report directly to the Municipal Manager while the Municipal Manager accounts to the Mayor and Council.

DR SHASHA (MUNICIPAL MANAGER)

MS NOZUKO NQULO – CORPORATE SERVICE

MS N DLOVA – ENGINEERING DIRECTOR

MS ANDISWA NOHOLOZA – COMMUNITY SERVICES

MR S MNWEBA
DIRECTOR DEVELOPMENT AND PLANNING)

MS B NGWENDU (CHIEF FINANCIAL OFFICER)

ROLES AND RESPONSIBILITIES OF DIRECTORATES

Role of the Chief Financial Officer:

- Is administratively in charge of the budget and treasury office.
- Must advise the accounting officer on the exercise of powers and duties assigned to the accounting officer in terms of this Act.
- Must assist the accounting officer in the administration of the municipality's bank accounts and, in the preparation, and implementation of the municipality's budget.
- Must advise senior managers and other senior officials in the exercise of powers and duties assigned to them in terms of section 78 or delegated to them in terms of section 79.
- Must perform budgeting, accounting, analysis, financial reporting, cash management, debt management and supply chain management.
- Financial management, review and other duties in terms of section 79 as delegated by the accounting officer.
- The chief financial officer of a municipality is accountable to the accounting officer for the performance of the duties referred to in subsection.

Role of the Director Engineering Services

- Responsible for the maintenance of all Municipal roads and storm water with the limited funding and machinery that is available. This does not include roads that fall under the Department of Roads and Public Works and South African National Road Agency Limited (SANRAL).

- The goal of the Building Control Unit is to enable the Amahlathi Municipality to fulfil its role as a controller of all Building activities & maintenance of all buildings, Engineering Planning aspects of services provision of new settlement areas and ensure that municipal buildings are continuously and adequately maintained.

- The goal of the PMU Unit is to ensure the successful implementation and management of all capital infrastructure projects within Amahlathi Municipality. The unit oversees projects which are mostly funded by grants such as Municipal Infrastructure Grant (MIG) / INEP /DMRE. The MIG programme is aimed at providing all South Africans with at least a basic level of service. INEP/DMRE programme aims for all households to be provided with an electricity supply.

- Electricity provided in Stutterheim, Cathcart & Amabele Village Station under the NERSA Distribution Licence NER/D/124EC. Eskom is responsible to provides electricity supply and connections to villages not covered in terms of NERSA Distribution Licence NER/D/124EC terms and conditions.

- Distribution & Reticulation: The goal is to maintain the systems in order to provide a safe, reliable and efficient electricity supply. Meter readings & monitoring of consumption with assistance of BTO to ensure efficiency in electricity service provided.

- Public Lights (Street & High masts): All Public lights funded through the municipal rates component, the electricity section responsible for planning, installation of new lights as well as the maintenance of public lights.

- Municipal Buildings: Ensure electrical supply to premises as a customer. Guidance with compliance in terms of SANS electricity wiring of premises. Monitoring of work quality in compliance with the Occupational Health & Safety Legislation. HVAC (Air Conditioners) – guidance to other units, monitoring quality and compliance in terms of Occupational Health & Safety requirements and Legislation.

Role of the Director Development Planning

- Facilitation of Local Economic Development
- Co-ordination of agricultural programmes
- Support to SMME's and Co-operative's
- Co-ordination of Tourism development
- Promotion of Culture and Heritage sub-sectors within Amahlathi
- Development of Local Economic Development related policies
- Co-ordination of Human Settlement delivery within Amahlathi
- Management of Spatial Development and Town Planning
- Land Use Management
- Ensure effective use and management of Municipal land
- Lead the implementation of High Impact Development Initiatives
- Facilitation of Development Partnerships.

Role of the Director Corporate Services

Plans, coordinates and manages activities of the Human Resources department to ensure the delivery of HR services such as HR Planning, Personnel Provisioning, and Administration of conditions of service, Personnel utilisation, Industrial relations and skills development.

• To develop a departmental vision and strategy and ensure implementation to provide effective service delivery.

• Manages performance of employees in the Department to ensure optimal work performance. Plans and manages utilisation of resources in order to perform activities. Develops and monitor systems, policies, procedures and processes to ensure correct working operations and practices.

• Manage the Human Resources department of the Amahlathi Council to ensure compliance with the corporate services directorate strategic plan.

• Develop, Manage and administer the recruitment and selection policy to ensure compliance with Recruitment and selection policy of the Municipality.

• Promote good and sound industrial relations environment to ensure labour stability in the municipality.

• Administer the implementation of the Employment Equity to ensure compliance with the Employment Equity Plan.

• Manage the Training and Development Function to ensure effective training system in the Municipality.

• Overall management of the Occupational Health and safety to ensure compliance with the OHS Act.

• Manage the use of Council resources to ensure economic, effective and efficient service delivery.

• Management of an administration system that is efficient and facilities decision making and service delivery throughout the Amahlathi Municipality

• Manage the Municipality's administration in accordance with the constitution, local government municipal structures act and other applicable legislation.

• The effective management of Human Resources in order to ensure that transaction and implementation of skills development, employment equity, performance management and fleet management.

Role of the Director Community Services

To contribute towards a safe and secure environment
To promote a clean and healthy environment
To promote a culture of reading and learning
To ensure that public amenities are improved and well managed
To reduce number of road carnages on our Public Roads
To increase Traffic visibility in our Municipal Roads

B. INTER GOVERNMENTAL RELATIONS

NATIONAL & PROVINCIAL INTERGOVERNMENTAL STRUCTURES

Amahlathi Municipality participated in the quarterly munimec. The munimec provided a platform for the municipality to engage in intergovernmental relations with the Provincial Executive Council (MEC) to ensure effective service delivery and alignment with broader government goals. This involved participating in discussions, coordinating efforts, and addressing challenges related to municipal functions and development. The last munimec was held on the 12 – 13 June 2025.

RELATIONSHIPS WITH MUNICIPAL ENTITITIES

The municipality does not have an entity. The Amathole Economic Development Agency SOC Ltd also trading as ASPIRE does assist the municipality in certain programs. Aspire is an entity of Amathole District Municipality. One of the project that Aspire is currently working on is the development of Cathcart Revitalization Strategy.

DISTRICT INTERGOVERNMENTAL STRUCTURES

Amahlathi Local Municipality participates in the District Mayor's Forum (DIMAFO). The Amahlathi Local IGR tables its reports to the Amathole District Mayor's Forum to ensure alignment with the district wide planning. The local IGR also escalates matters that cannot be resolved at local level to the DIMAFO. The main issues that usually get escalated are service delivery challenges, government debt and catalytic projects. The DIMAFO is normally preceded by the municipal manager's forum. The forum deals with issues that can be resolved at a technical level and prepares for the political session. National and provincial department participate in the DIMAFO. The DIMAFO escalates matters to the MuniMec.

The DIMAFO also serves as a political platform to oversee the District Development Model (DDM). The municipality participates in the DDM which is coordinated by the district municipality. The office of the municipal manager identified staff to provide support in the DDM.

2.3 Inter Governmental Relations committee

Chapter 3 of the Constitution Act 108 of 1996 provides for the principles that underpin the relations between the spheres of government. IGR meetings sit on a quarterly basis and are information-sharing sessions that seek to align planning between the municipality and other spheres of government.

Amahlathi Local Municipality has developed and adopted an IGR Policy Framework in 2016/17 that encourages establishment of IGR Clusters and the broader IGR to provide a platform for the meeting of minds of sector departments, stakeholders and the municipality.

The table below illustrates all the dates that broader IGR forum meetings were held during each quarter:

Quarter	Date
Q1	10 September 2024
Q2	19 November 2024
Q3	11 March 2025
Q4	13 May 2025

All four quarterly IGR meetings managed to sit with the concern of inconsistences on attendance of sector departments.

B. PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 Communication, Participation and Forums

The Municipality has a Public Participation Policy that was adopted by Council on 1 September 2015, and it is. reviewed annually. In accordance with Municipal systems Act 2000, the municipality holds regular IDP/PMS/ Budget Representative Forum meeting in drafting IDP and Budget. Forum meetings are be convened quarterly in preparation of each phase.
The following forms are used in calling the interested parties.

- ✓ Website, Facebook, Notice Boards to publish our notices.
- ✓ Community Radio Stations to reach those parts of our community that do not read newspaper.
- ✓ Posters, pamphlets, ward councillors, ward committees, Community Development Workers (CDW) and
- ✓ announcements through community gatherings and community-based organizations
- ✓ Loud hailing

The municipality communicates promptly with the communities via Facebook, radio, notices, audio-visuals, and word of mouth. The most effective is the Facebook page. During the financial year the page saw increase in its following from 3800 to 6280. The Facebook page is followed mostly by youth, unemployed persons and the middle-class citizens. The municipal communication, although aimed at making communities aware of the municipal affairs, is also aimed at encouraging communities to be involved and participate in the affairs of the municipality.

<u>IDP ROADSHOWS</u>

Each year during the second quarter the executive committee as led by the mayor embark on roadshows to collect community needs and priorities. This process is conducted by holding meeting in each of the four clusters of Amahlathi Local Municipality. In the year under review the meetings took place from November until early December. The notices for the meeting are issued out by the communications via Facebook, ward councillors, whatsapp groups, notice boards and the word of mouth. The attendance varied with communities. In the Cathcart areas the meetings were attended in good numbers while in Mlungisi the attendance was less than desired. Some communities held their meetings with their ward councillors and prepared their needs and priorities which were submitted by the respective ward councillors.

<u>WARD BASED PLANNING</u>

The municipality also embarked on a program to develop ward-based plans. The project was pioneered with five wards which are based in the Stutterheim cluster. Those are wards 6, 9, 13, 14 and 15. These wards are expected to update their plans prior to the IDP Roadshows. During the IDP Roadshows the ward councillors will present the plans and hand a copy to the municipality for inclusion in the IDP. The remaining wards will continue list their needs and priorities in the traditional way whilst another five is assisted to develop its ward-based plans. The ward-based plans programme is spanned for three years. It began in the year under review with five ward-based plans completed by end of June 2025. Another five will be developed and completed by June 2026 whilst the last batch of five plans are planned for June 2027.

IDP AND BUDGET REPRESENTATIVE FORUM

The municipality conduct a Rep Forum quarterly to maximise consultation on the development of the IDP and Budget. In the year under review all Rep Forums were conducted successfully. The Rep Forum is attended by ward committees, community stakeholders, sector departments and the municipality. The Rep Forums are meant to provide consultations at different stages of development of both IDP and budget. The last rep forum looks at the Final IDP and Budget before the council approves them in the council of May. In the year under review stakeholders, ward committees and all participants in the rep forum were afforded an opportunity to input on the IDP and Budget before it is tabled for approval in council. Other people use Facebook to submit their inputs for consideration in the IDP.

Other structures used to enhance public participation is through Ward Committee Meetings, LED Forums and SPU Forums and Local Communicator's forum which are convened quarterly. To ensure that the needs of unorganized groups are represented as well, advocacy groups and Non-Governmental Organizations (NGOs) are used as well for communication. Meetings of the Representative Forum will be held in any appropriate Municipal buildings and the preferable languages that we use during these sessions are:

▯ English

▯ Xhosa

The following tables reflects the roadshows that were conducted during the year under review.

PURPOSE	DATE	VENUE	TIME	CLUSTER
Priority needs Identification	15 October 2024	Mlungisi Community Hall	11H00	Stutterheim Cluster
	17 October 2024	Frankfort Hall	14h00	King Kei Cluster
	14 November 2024	Mzwandile Fanti Hall	10H00	Stutterheim Cluster
	15 November 2024	Cathcart Town Hall	10H00	Cathcart Cluster
	15 November 2024	Ndumangeni Hall	10:00	Cathcart Cluster
	19 November 2024	Springbok Hall	10:00	Keiskammahoek Cluster
IDP/Budget/PMS Rep Forum	16/08/2024	• Mzwandile Fanti	10:00	Stutterheim Cluster
IDP/Budget/PMS Rep Forum	27/11/2024	• Stutterheim Library	10:00	
IDP/Budget Public Hearings	11 April 2025	• Border Post	11:00	King Kei Cluster
	15 April 2025	• Springbok hall	11:00	Keiskammahoek Cluster
	22 April 2025	• CathCart Town Hall	11:00	Cathcart Cluster
	05 May 2025	• Anchor (Businesses and Rate Payers) Stutterheim	12:00	Stutterheim Cluster
IDP/Budget/PMS Rep Forum	14/03/2025	• Mzwandile Fanti	10:00	Stutterheim Cluster
	20/05/2025	• Mzwandile Fanti	10:00	
	05/11/2024	• Mzwandile Fanti	10:00	Stutterheim Cluster

Annual Report Public Hearing	22/11/2024	• Ndumangeni Hall	14:00	Cathcart Cluster
	26/11/2024	• Border Post	10:00	King Kei Cluster
	29/11/2024	• Springbok Hall	10:00	Keiskammahoek Cluster

2.4.2 Ward Committees

Ward committees were formally introduced in year 2000, and since then our municipality had always had ward committees. The ward committees are established in each ward every five years. The term of office for the ward committees run concurrently with the term of office for the council. In line with Chapter 4 of the Municipal Structures Act 1998, the municipality is committed to enhance democratic, open, transparent and participatory system of local governance within its area of jurisdiction. The municipality is mandated by the Municipal Structures Act to elect Ward Committees within 90 days after the local government elections. After the inauguration of the new Council on 22 November 2021, the establishment of ward committees commenced on 5 January and a total of 150 ward committees were elected 10 in each ward of the 15. Ward Committees were inducted by the municipality and COGTA on 10 and 11 May 2022. From 12 May the 150 ward committees commenced with their duties.

Ward Committees are governed by the Ward Committee Functionality Policy and the Ward Committee Handbook published by COGTA. The Municipal Structures Act requires that, in addition to equitable gender representation, the ward committee should represent a diversity of interests in the ward. The purpose of the ward committees is to strengthen democracy in the ward by creating a platform in the ward where all interest groups are given an opportunity to identify their needs and raise their concerns, for a total ward need analysis and priorities. The ward committees also monitor the performance of the municipality and raise issues of concern to the local ward and assist with community awareness campaigns e.g. waste, water and sewage, payment of rates and charges, as members know their local communities and their needs.

In the year under review the municipality had approximately 146 ward committees instead of the required 150. The remaining 4 ceased to hold office for various reasons. The ward committees were functional for the duration although the lack of tools of trade hampered the reporting of ward committees. The ward boundaries differ in nature from those that are vast, congested and those that are in the middle. The sittings differ from few to many however the number of meetings were not satisfactorily. The minimum expected for each ward was 12 meeting one in each month. The ward councillors should submit the reports and attendance registers as well as the payroll registers for the ward committees.

There was no record of meeting filed in the municipality as ward committees conducted their meetings independently. There is no capacity to cover all wards by a single municipal official with serious transport limitations. The ward committees however submitted reports of their work on a monthly basis.

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 57 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*	*T 2.5.1*

D. CORPORATE GOVERNANCE

The council recognises the wide range of risks to which Amahlathi Local Municipality is exposed. Amahlathi Local Municipality is committed to the effective management of risk to achieve the municipal goals and objectives, as well as converting risk into opportunities that create value for the municipality stakeholders. It is therefore a strategic objective to adopt a process of integrated risk management that will assist Amahlathi Local Municipality in meeting its key goals.

The Risk Management Committee is responsible for the assessment of risk to ensure that risk control and management efforts are not duplicated, risk identification "gaps" are avoided and that interdepartmental risks are identified and managed in a timely manner.

During the 2024/25 risk assessment the following strategic risks were identified and prioritised. :

- Electricity Distribution Losses above the norm
- Inadequate provision and maintenance of basic service delivery infrastructure
- Inability to meet current and future financial obligations
- Inability to leverage on fleet as a strategic resource for service delivery.
- Ineffective implementation of communication strategy
- Non-Compliance with laws, regulations and statutory prescripts.
- Inability to render services in the event of a disaster
- Inability to create a conducive environment for economic prosperity

Existence of the committee and functionality.

The municipality has Risk Management Committee which consists of all Section 56 managers and is supported by the appointed departmental risk champions. Risk management reports are reviewed quarterly by the Risk Management Committee. The municipality conducted strategic, operational, litigation, fraud and ICT risk assessments in the 2024/25 financial year.

Risk Committee Meetings for monitoring risk implementation process were held on the following dates:

- 16 July 2024
- 16 October 2024
- 17 January 2025
- 22 May 2025

2.6 Anti- Corruption and Fraud

FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality has Fraud Prevention Plan and Anti-Corruption Policy in place that were adopted by Council. The municipality is utilising Presidential Fraud Hotline number.

Financial Disciplinary Board is established to investigate alleged financial misconducts.

MPAC and Audit Committee are the oversight committees to investigate irregularities in contravention with MFMA.

Legal advice and handles fraudulent matters and other related financial misconducted.

The Internal Audit Unit conducted Fraud Awareness Campaigns within the municipality twice in 2024/25 financial year.

Fraud Risk Register is in place.

Whistle-blowing policy for protection of the whistle-blowers has been developed and approved by the Council.

Strategies in place for prevention i.e., campaigns etc.
The municipality conducted 2 fraud awareness campaigns during the financial year under review as follows;

- 26 November 2024
- 21 February 2025

Strategies in place for prevention i.e., campaigns etc.
The municipality conducted 2 fraud awareness campaigns during the financial year under review as follows;

- 20 September 2023 and
- 14 March 2024

2.7 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 SCM policy and when necessary, submit proposal for the amendments of the policy to council. The SCM policy was initially developed in 2005 and implemented to give effect to the SCM regulations, and it was last reviewed in January 2023. Amahlathi has established an SCM unit which comprises of four officials. The code of conduct, oath of secrecy and declaration forms are signed by all officials involved in supply chain management. The SCM manager has reached prescribed levels as required by the Minimum Competency Regulations Guidelines and the other three officials are still in the process of completing the minimum requirements. In line with Municipal Finance Management Act (MFMA), the accounting officer has also established various bid committees that are consistent with the SCM regulations and any applicable legislation for competitive bidding i.e.

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

Range of procurement processes

STRUCTURE OF APPROVAL		
GOODS/SERVICE VALUE	**PROCUREMENT METHOD MINIMUM**	**APPROVAL AUTHORITY**
R0 – R2 000	Petty Cash	Head of Department or Delegated Authority
R2 001 – R5 000	Three Quotes	Head of Department or Delegated Authority
R5 001 – R30 000	Three Quotations	Head of Department or Delegated Official
R30 001-R300 000.00	1 Week Bulletin Notice and Advertisement via Website: Three Quotations	Chief Financial Officer
R300 001 – R2 Million	Competitive Bidding Process	Bid Adjudication Committee
R2 Million – R10 Million	Competitive Bidding Process	Bid Adjudication Committee
Above R10 Million	Competitive Bidding Process	Accounting Officer

2.8 Websites

Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (Year -2022 /23)	Yes	
The annual report (Year 2023/24) published/to be published	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2023/24) and resulting scorecards	Yes	
All service delivery agreements (Year 2024/25)	No	
All long-term borrowing contracts (Year 2024/25)	Not Applicable	
All supply chain management contracts above a prescribed value (give value) for Year 2023/24	No	
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 2023/24	No	
Contracts agreed in Year 2023/24 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 2023/24	Not Applicable	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2013/24	Yes	

2.9 Bylaws

NO.	LOCAL AUTHORITY NOTICE	GAZETTE NO.
1.	Local Government : Municipal Systems Act (32/2000) : Municipality of Amahlathi: Street trading By-Law	1668
2.	Keeping of dogs and other animals By-Law	1668
3.	Neglected buildings and premises By-Law	1668
4.	Prevention of nuisances By-Law	1668
5.	Solid waste disposal By-Law	1668
6.	Use and hire of municipal building By-Law	1668
7.	Public open space By-Law	1668
8.	Advertising signs By-Law	1668
9.	Cemeteries and crematoria By-Law	

		1668
10.	Ward committees By-Law	1668
11.	Delegation of powers By-Law	1668
12.	Community fire safety By-Law	1668
13.	Standing rules for council By-Law	1668
14.	Credit control By-Law	1668
15.	Indigent support By-Law	1668
16.	Rates policy By-Law	1668
17.	Tariff policy By-Law	4076

The municipal by-laws are created by council to regulate activities within their jurisdiction, covering a wide range of areas like zoning, waste management, and building regulations. These regulations are crucial for maintaining order, safety, and public health within the locality. The institution has 19 by laws and all 19 by-laws are promulgated. Most of these by-laws are old. The municipality in the following years will embark on the process of reviewing the old by-laws.

By-laws Introduced during Year 0					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
None	None	No	None	No	None
Note: See MSA section 13.					*T 2.9.1*

2.10 Public Satisfaction on Municipal Services

The municipality conducted a community satisfaction survey at the end of 2023/24 financial year. The survey covered the rate paying areas. The purpose was to ensure that the complaints are addressed during 2024/25. Most complaints were on unemployment, dilapidated roads, electricity loadshedding and water outages. The municipality addressed these issues during the 2024/25 financial year leveraging on the municipal disaster grant and municipal infrastructure grant.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

3.1 ELECTRICITY

Amahlathi LM distributes electricity to areas under the NERSA licence (Stutterheim, Cathcart and Amabele). Customers within this jurisdiction have access to electricity and is supplied by Amahlathi LM. All customers that are indigent and are registered with the Municipality database receives free electricity and certain services as per the indigent policy of the Municipality. The Municipality has initiated to replace all faulty meters, and this has yielded significant improvement in the electricity losses for 24/25 financial year. Amahlathi is currently busy implementing a project to replace all meter to smart meters to ensure efficient energy monitoring and service delivery. The other two projects that's a priority to the Municipality is the upgrade of the Cathcart Substation and the Stutterheim Main intake substation to ensure there is reliable and stable power supply to the Amahlathi residents. The Municipality is also looking into increasing the Notified Maximum Demand from Eskom to ensure the electricity demands of the community especially businesses and investors are catered for thus creating more economic stability within Amahlathi.

The rural parts of Amahlathi are being supplied by Eskom. The Municipality also has a wheeling agreement with Eskom to supply Kati-Kati and Daliwe through the Cathcart substation.

Through funding sources like INEP, the Municipality is continuously striving to address backlogs in electrification projects not only within Amahlathi jurisdiction but also within Eskom areas.

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0		0	0	
4 - 6	0		0	0	
7 - 9	3		0	0	
10 - 12	3		3	0	
13 - 15	0		0	0	
16 - 18	1		1	0	
19 - 20	0		0	0	
Total	7		7	0	

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*
T 3.3.6

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	260				
Pre engineering Cathcart SS	1 500				
Pre-Engineering Stutterheim SS	360				
EEDSM	3 000				
STR Stutterheim public lighting	947.2				
STR Keiskammahoek public lighting	1 245				
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.3.8*

<u>COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:</u>

The 4 largest projects prioritized by the Municipality is a s follows.

1. RT29 Smart meter project
2. Pre engineering of upgrading of Cathcart Substation
3. Upgrading of Stutterheim Main intake substation
4. Energy efficient and demand side management EEDSM

The RT29 smart meter project was initiated in April 2025 and will continue for a period of three years. The project has completed the first phase which included the audits of the meters within Amahlathi and the submission of the As Is report to National Treasury. The other projects mentioned were completed within the allocated time and budget.

Eskom agreement on wheeling in place however awaiting credits to reflect on the Municipal account in terms of the Eskom usage.

Operating expenditure for the 24/25 financial year was fully utilised on items such as purchasing of new meters for new connections, on infrastructure repairs and maintenance and purchasing of materials like transformers. The installation of new meters within Amahlathi during the 24/25 financial year has dropped the electricity losses from 35%(in 23/24) to 20% in the 24/25 financial year.

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

INTRODUCTION TO WASTE MANAGEMENT

In the initial year of implementing the National standard for weekly refuse collection from every household, a comprehensive approach has been adopted to ensure equitable and consistent waste management services across all clusters. The primary actions include expanding collection areas, increasing fleet capacity, and initiating door to door community surveys awareness campaigns to promote participation and proper waste disposal.

Major successes achieved and challenges faced

- **Expansion of service coverage:** Significant progress has been made in extending refuse collection services to previously underserved or unserved households e.g. Kologha Township.
- **Fleet and infrastructure:** Investment in two (2) new refuse collection cage trucks has improved efficiency and reliability.
- **Public engagement:** Successful awareness campaigns have increased household participation rates and improved waste disposal practices, contributing to cleaner communities. **The following awareness, clean-up and clearing of illegal dumping hotspots campaigns were conducted:**

- Waste awareness, clean-up and clearing of illegal dumping hotspots campaign conducted at Mlungisi Location, (Ward 14 & 15) on the 4 July 2024.
- Waste awareness and clean-up campaign conducted at Stutterheim town (Ward13) on the 9 July 2024.
- Waste awareness and clearing of illegal dumping hotspot campaign conducted at Kologha township (Ward 13) on the 27 July 2024.
- Waste Awareness Campaign conducted at Amatolaville Primary School on the 3 September 2024.
- Clean-up campaign conducted in Stutterheim town Ward 13 (Hill Street & N6 Route) on the 7th and 8th November 2024.
- Clean-up and clearing of illegal dumping hotspot campaign conducted at Mlungisi Location (Khayelitsha) Ward 15 on the 19 November 2024.
- Clean-up and clearing of illegal dumping hotspot campaign conducted at Mlungisi Location Ward14 on the 20 November 2024.
- Awareness campaign conducted at Kologha Township Ward 13 on 09th December 2024.
- Awareness and clean-up campaign, clearing of illegal dumping hotspot conducted in Cathcart Ward 5 (N6 Route, CBD, KatiKati township, old railway line area) on the 14th of January 2025.
- Clean-up and clearing of illegal dumping hotspots campaign conducted in Stutterheim town Ward 13 (CBD, N6 Route, open spaces) on the 20th of January 2025.
- Clean-up and clearing of illegal dumping hotspot conducted at Kologha township Ward13 on the 24th of January 2025.
- Clean-up and clearing of illegal dumping hotspots in Stutterheim town (Long Street, Hill Street)
- Clean- up and clearing of illegal dumping hotspots conducted in Stutterheim town Ward 13 (Cnr. Brownlee & Sprigg Street, Cnr. Long street & Sprigg street) on the 13th of March 2025.
- Door to Door Awareness: Blitz- Joint Operation at Kologha township Ward 13 on the 19 March 2025.
- Waste and Environmental management awareness campaign conducted at Cenyu Public School, Mlungisi Location, Ward 15 on the 21 May 2025. Awareness focused on different types of waste and its origin, types of waste management (recycling, composting, landfill, incineration) waste minimization (re-use, reduce, recycle), pollution and prevention.
- A Waste and Environmental management awareness campaign conducted at Sikhulule Public School, Mlungisi Location, Ward 14 on 22 May 2025. Awareness focused on different types of waste and its origin, types of waste management (Recycling, composting, landfill, incineration) waste minimization (Re-use, Reduce, recycle), pollution and prevention.
- Awareness and Clean-Up campaign conducted on the Route from Mlungisi Location, Ward 14 to Stutterheim town, Ward 13 on the 22 May 2025.
- Clearing of illegal dumping hotspots conducted at Nkqenkqenkqe, Ward 14 and Khayelitsha, Ward 15 (Jongile High School area) Locations on the 30 May 2025
- **Monitoring tools:** Implementation of data collection tools (street cleaning, waste collection, waste disposal) has enhanced monitoring and planning capabilities, enabling more responsive service delivery.

Challenges faced

- **Resource constraints:** Insufficient funding and logistical challenges have limited the pace of infrastructure expansion and fleet procurement.

- **Operational disruptions:** Initially, with the new routes (Kologha Township) and schedules caused occasional service delays.
- **Public compliance:** Despite awareness efforts, some households are not adhering to waste collection schedules.

PROGRESS MADE WITH STREET CLEANING, WASTE COLLECTION, WASTE DISPOSAL

1.Street Cleaning

Daily street cleansing and clearing of illegal dumping hotspots operations are conducted by solid waste employees, EPWP participants and CWP participants.

- Daily street cleansing is conducted on Mondays to Fridays in all clusters and including night shifts and weekends in Stutterheim.
- Focus areas are the central business district, streets around towns, open spaces and outside areas
- Daily routine checks are conducted by the solid waste officer and supervisors to monitor the work done using a street sweeping and businesses' waste collection monitoring tool.
- Un-serviced areas are serviced through clean-up campaigns and clearing of illegal dumping hotspots monthly.

2. Waste Collection

Waste collection is done on households and businesses using the two (2) newly procured cage trucks i.e., 1 truck servicing Stutterheim, Amabele, Kei Road and another one servicing Cathcart. Factories, some businesses serviced by a skip bin truck in Stutterheim and old cage truck servicing Keiskammahoek.

Table 1: Waste collection conducted in residential areas, factories, and businesses as follows:

Cluster	Areas
Stutterheim	Sutterheim town, Lower Kologha, Mlungisi location, Kologha Township, Amatolaville, Amabele and Kei Road
Cathcart	Cathcart town, Daliwe and KatiKati locations
Keiskammahoek	Keiskammahoek town, Valdrai, Newtown and Sophumelela location
Factories	Anca Chicks and Newden
Businesses	Pick'n'Pay, Shoprite, Big Daddys, Spar, bowling club, country club, golf and tennis clubs.
Departmental sectors	Hospitals, Clinics, schools, school hostel, Department of Home Affairs, Department of Social Development, DRDAR, Department of Justice etc.

3.Waste Disposal

Collected waste is disposed of at the landfill sites i.e., Stutterheim, Cathcart and Keiskammahoek landfill sites.

Stutterheim disposal site: The site is currently licensed, fully operational with no cover material and compaction taking place due to no landfill compactor. As a result of no compaction taking place the site is not compliant with the conditions stated on the license and has reached its capacity. Daily operations and maintenance of the site like waste clearing are done by a front-end-loader, blowing paper is picked up by the EPWP casuals daily. The weighbridge is not operating due to no electricity transformer on site; the waste volume estimates are recorded on the waste disposal monitoring tool. Records of waste volumes are loaded on the South African Waste Information System (SAWIS) quarterly as means of reporting to National department. Vehicles with loads of waste are recorded by the spotter and EPWP casuals. Waste volumes recorded for this reporting period were 14471,1 Tons. Four internal audits were conducted on this reporting period.

Cathcart disposal site: The site is operating illegally as it is not licensed. It is currently operating under the action plan submitted to the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) towards closure of the site. The Basic Assessment towards closure license of the site has been done by the appointed consultant and the application for closure license is now with relevant authorities. Waste volumes are recorded by the solid waste supervisor/ driver on the waste disposal monitoring tool. Waste volumes recorded for this reporting period were 5308 Tons. Four internal audits were conducted on this reporting period.

- **Keiskammahoek disposal site:** The site is fully operational and currently licensed. There is no compaction taking place, the site is non-compliant with the conditions stated on the license. Waste volumes are recorded by the solid waste supervisor/driver on the disposal monitoring tool. Waste volumes recorded for this reporting period were 1243.4Tons. Four internal audits were conducted on this reporting period.

PROGRESS MADE WITH RECYCLING INITIATIVE

The department has demonstrated fair progress in advancing the recycling initiative, aligning with environmental and waste management goals. Key progress include:

- Establishment of a Recyclers' data base.
- Continuous engagements with recyclers in Cathcart with the aim of commencing operations at the transfer station in Cathcart. The recyclers were trained by DEDEAT on recycling activities and conditions listed on the transfer station permit.
- Registration of Cathcart recyclers as a co-operative on CIPC with the assistance from LED department-Amahlathi LM.
- Schools' recycling survey/ awareness are conducted in primary schools, as well in businesses.
- A waste characterization training was conducted with assistance by the Department of Forestry, Fisheries & Environment (DFFE) for the recyclers, waste pickers, community members, CWP participants and ward committees at Stutterheim landfill site.

Challenges encountered.

- **Limited resources:** Budget constraints and logistical constraints have limited the scale and frequency of planned recycling activities.
- **Infrastructure:** There is a need for recycling equipment and facilities

Solid Waste Service Delivery Levels				
				Households
Description	Year -3	Year -2	Year -1	Year 0
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Solid Waste Removal: **(Minimum level)**				
Removed at least once a week	71 868 (rate	71 868	71 868	71 868

	consumption from July 2024 to June 2025)			
Minimum Service Level and Above sub-total				
Minimum Service Level and Above percentage	47%	47%	47%	47%
Solid Waste Removal: **(Below minimum level)**				
Removed less frequently than once a week	655	547	565	523
Using communal refuse dump	865	846	487	865
Using own refuse dump	655	547	565	523
Other rubbish disposal	502	952	938	720
No rubbish disposal	112	123	124	124
Below Minimum Service Level sub-total	2 789	3 015	2 678	2 755
Below Minimum Service Level percentage	49,1%	52,9%	48,5%	55,2%
Total number of households	**5 685**	**5 699**	**5 523**	**4 991**
				T 3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
						Households
Description	**Year -3**	**Year -2**	**Year -1**	**Year 0**		
	Actual	**Actual**	**Actual**	**Original Budget**	**Adjusted Budget**	**Actual**
	No.	**No.**	**No.**	**No.**	**No.**	**No.**
Formal Settlements						
Total households	33 621 (2022 estimate	33621	33621	33621	33621	33621
Households below minimum service level	26 683	26683	26683	26683	26683	26683
Proportion of households below minimum service level	79% 2	79%	79%	79%	79%	79%
Informal Settlements						
Total households	6938 (serviced households)	6938	6938	6938	6938	6938
Households below minimum service level	2 355	2 355	2 355	2 355	2 355	2 355
Proportion of households below minimum service level	33.9 % 21.5%	21.5%	21.5%	21.5%	21.5%	21.5%
						T 3.4.3

Employees: Solid Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	22	26	22	4	27.3%
4 - 6	0	0	0	0	0%
7 - 9	4	6	4	2	33.3%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	27	31	27	4	27%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as of 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.4.5

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	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	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%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.4.6

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	R 234 121.00	R1 710 606.00			
Expenditure:	R 160 937.47	R1 710 606.00			
Employees					
Repairs and Maintenance	R 60 139.51	R103 100.00			
Other	R 100 797.96	R131 021.00			
Total Operational Expenditure					
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.4.7*

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					
RESTORATION OF STUTTERHEIM LANDFILL SITE PROJECT PHASE2	R3.3 000 000.00		R3,106,454.84		R3.3 000 000.00
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.4.9*

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The Integrated Waste Management Plan (IWMP) has been endorsed by the MEC – Economic Development, Environmental Affairs and Tourism (DEDEAT) on the 28 August 2023. The waste section is to report to the DEDEAT on the implementation of IWMP quarterly. The waste management officer was appointed on the 1 September 2023 and designated.

Waste management services within the municipality are functioning at a basic level, with regular refuse collection provided in all municipal clusters (Stutterheim, Cathcart, Kei Road,Amabele & Keiskammahoek) throughout the week (households, businesses, old age homes, hospitals, factories etc.) by municipal employees and EPWP casuals. Unserviced areas (informal settlements & rural) are serviced through clean up campaigns and clearing of illegal dumping hot spots. In some instances, vehicle breakdowns cause interrupt collections and create delays, which in turn contributes to illegal dumping.

At landfill sites access is generally available to the public and efforts such as fencing and securing sites are being implemented e.g. Restoration of Stutterheim landfill site Project Phase2 funded by DEDEAT. Compliance with licensing requirements remains a challenge as the sites are non-compliant and under audit due to no daily cover and compaction taking place. Recycling initiative efforts are currently underdeveloped, while informal waste pickers play an important role there is still no formal separation at source programme across the municipality and there is no drop off facilities available within the municipality. Meaning the diversion from landfill remains well below national targets.

Complaints are recorded and responded to within the turnaround time,24hours. Service changes are always communicated to the community such as delays or interruption of services.

Based on external audit scope and municipal priorities, these would likely be prioritized to address compliance, capacity and environmental standards:

- Closure and Rehabilitation of Cathcart Landfill site
- Upgrading the Stutterheim landfill site (Construction of a new cell, purchasing landfill compactor machinery)
- Cathcart transfer station upgrades/expansion (procurement of skip bins, recycling facility)
- Upgrades at the Keiskammahoek landfill site (fencing).

3.3 HOUSING

INTRODUCTION TO HOUSING

Amahlathi Local Municipality has been operating with an old and outdated Human Settlements Sector Plan (HSSP) which was developed and adopted in 2013. The Municipality in conjunction with Department of Human Settlements have developed a Human Settlement Sector Plan (HSSP). The document has recently been adopted by Council in June 2025. The HSSP is a legislative requirement in terms of Section 9 (1)(f) of the Housing Act, 1997 (Act No. 107 of 1997). The Act requires every municipality to take reasonable and necessary steps to initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction. The plan is aligned with the national and provincial human settlements priorities. It is developed based on the approved National Framework for Development of HSSPs and forms a chapter in the Municipal Integrated Development Plan (IDP). Human Settlement is the housing provider; thus, they provide housing to the Municipality. Thus, the budget for Human Settlements Development is kept by the Department of Human Settlements. Amahlathi LM is not Accredited to provide housing.

During the year under review, the Department of Human Settlements has implemented several projects as shown below:

RUNNING PROJECTS	BLOCKED PROJECTS	PLANNING PROJECTS	NEW APPLICATIONS	CLOSE-UP PROJECTS
1. Cenyu Village 450 2. Cenyulands 692 3. Masincedane 200 (99) 4. Kubusi 304 (156) 5. Frankfurt 300 6. Gasela 75 7. Katikati 300 8. Squashville 153 9. Mthonjeni 80 10. Goshen 100	1. Mlungisi 270 2. Ndakana 1300 (35)	1. Kei Road Northern Node 421 (Phase 2)	1. Nothenga 26 2. Gubevu 312 3. Mbaxa 4. Ethembeni 5. Ndlovini 6. Mgwali 7. Border Post And Nompandlana	1. Xholorha 700 2. Kei Road Northern Node 421 (Phase 1)

The budget set aside for these projects for the year under review is R53 779 108.00. These projects are at various stages of development.

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	na		na
Year -2	na	na	na
Year -1	na	na	na
Year 0	38,883	16,032	74.4
Total			
			T 3.5.2

Employees: Housing Services					
Job Level	Year -1	Year 0			
	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	0	0	0	0	0%

7 – 9	1	1	1	0	0%
10 – 12	1	1	1	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	2	2	2	0	0%
*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.5.4					

COMPONENT B: ROADS AND TRANSPORT

3.4 INTRODUCTION TO ROAD TRANSPORT

The Municipality is responsible for maintenance and rehabilitation of local roads within Amahlathi jurisdiction. Cleaning and unblocking of storm water drains to prevent overflow during rainy season. Provision of safe, rideable roads infrastructure and uninterrupted transport movement for the community. Provision of storm water structures to prevent overflooding ,injury and damage to property.

The key objectives are maintenance of the road infrastructure to ensure, that it performs at its optimal and thus reduce safety hazard. by Provide the community with safe riding roads Reconstruction and rehabilitation of road infrastructure that has deteriorated. The roads department conducts routine road maintenance for the infrastructure to prevent deterioration and collapse of the infrastructure. The inclement weather has been the biggest challenge in this financial with multiple storms resulting in disaster . the roads were greatly affected by the disaster and the infrastructure deteriorated further, erosion of the wearing coarse, donga formation and collapse of storm water structures. The roads and storm water unit has managed to achieve 59km in road maintenance using Grader loaned by the Department of Transport.

Gravel Road Infrastructure				
				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -2	145	15	1.8	100
Year -1	160	20	0.6	40
Year 0	166	51	2.0	59
				T 3.7.2

3.5 WASTEWATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The roads and storm water team are responsible for maintenance , cleaning ,unblocking and rehabilitation of storm water structures within Amahlathi towns. The storm water drain unblocking is performed in these areas Stutterheim, Cathcart, Kei Road and Keiskammahoek towns .The unit performs routine maintenance of the storm water drains and ad hoc maintenance during rainy season. The Roads and Storm- water Forman heading the team utilize the EPWP workers for unblocking of drain. The EPWP participants employed are from the towns and villages within Amahlathi. In 2024/25 the department has achieved 17,2km of storm water unblocking. Only permanent employee at Storm water section working with EPWP.

Stormwater Infrastructure				
				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year 0	18	0	1	17
				T 3.9.2

The storm water unit had target of unlocking at least 16km of storm drains within the towns of Amahlathi. The unit achieved 17,2km of storm water unblocking in the 2024/25 financial year. The capital project implemented through Grants also focus on upgrading and construction on new storm water infrastructure.

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -2	7	142
Year -1	13	405
Year 0	12	453
** - Extended Public Works Programme*		*T 3.11.6*

COMPONENT C: PLANNING AND DEVELOPMENT

3.6 PLANNING

INTRODUCTION TO PLANNING

The Town Planning Unit obtains guidance and development strategies from 3 crucial legislative frameworks, namely the Spatial Development Framework (SDF), Land Use Scheme (LUS), the Municipality's SPLUMA By-Law, and the Human Settlements Sector Plan (HSSP). The main challenges faced by the unit in Year 0 include the following:

- the lack of a standard operating procedure in implementing Section 172 of the municipality's SPLUMA By-Law, 2016
- the absence of a SPLUMA compliant SDF
- Lack of personnel to combat illegal land uses within our municipal jurisdiction
- An outdated HSSP

Achievements by the unit in Year 0 include:

- Undergoing the procurement process to appoint a service provider for the review of the Municipality's SDF.
- Completing the first draft of the HSSP review

Our top 3 service delivery priorities include the provision of middle-income housing/ First Home Finance, and a Commercial Development (Shopping Centre) in Stutterheim. During Year 0 Terms of reference and bid specifications were developed for the proposed shopping centre. With regards to housing provision, the Department of Human Settlements has availed the services of Gap Infrastructure Corporation (GIC) such as the development of General Plans for the proposed sites.

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Enviroment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	4	-	1	9	29	35
Determination made in year of receipt	Evaluation and assessment process	-	Evaluation and Assessment	Evaluation and Assessment	26 -approved 3 -denied due to con-compliance with LUS	28 approved 7 denied due to non-compliance with LUS
Determination made in following year	Required amendments sent to applicant	-	Approved	Approved	-	-
Applications withdrawn	-	-	-	-	-	-
Applications outstanding at year end	-	-	-	2	-	-
						T 3.10.2

Employees: Planning Services					
Job Level	Year -1	Year 0			
	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	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	4	2	1.06	50%
13 - 15	0	0	0	0	0%
16 - 18	0	1	0	1.084	100%
19 - 20	0	0	0	0	0%
Total	2	5	2	0	33%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.10.4*

Capital Expenditure Year 0: Planning Services R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A	0	0	0	0	0
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.10.6*					

The targets are:

1. Spatial Development Framework R450 000
2. Human Settlements Sector Plan R0 (Project funded by DHS)
3. Cathcart Small-towns Revitalisation R0 (Project funded by ADM)
4. LED Strategy R0 (Project funded by COGTA)
5. Furniture Incubation R0 (Project funded by DFFE)

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	0	0	0	0	0
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.10.5*					

3.7 LOCAL ECONOMIC DEVELOPMENT

INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

Amahlathi Local Municipality has an outdated LED Strategy, which was last reviewed in 2012. In conjunction with Provincial department of Cooperative Governance are in the process of developing a new Local Economic Strategy. The LED Strategy was adopted by Council in May 2025. The new LED Strategy focuses on the following:

- Promotion of innovative strategies
- Potential funders
- Promotion of partnerships
- Renewable energy.

Currently the department is operating with a zero budget and is heavily reliant on other departments such as DRDAR, DFFE, DEDEAT, just to mention a few. The Municipality relies on forming partnerships with strategic institutions and implementation of Memorandum of Understanding with them as to improve local economic development of the institution. Service delivery priority projects were the Review of Amahlathi LED Strategy, Implementation of Stutterheim Master and Precinct Action Plan as one of the key catalytic projects, and to ensure that Amahlathi Community benefit on key projects implemented in the Amahlathi area such as SANRAL projects and projects implemented by Municipal Engineering Department.

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year -2	1500	0	1550	Through CWP Reference Quarterly meeting.
Year -1	1476	24	1476	
Year 0	1337	139	1337	
Initiative A (Year 0)				
Initiative B (Year 0)				
Initiative C (Year 0)				
				T 3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -2	7	142
Year -1	13	405

Year 0	12	453
** - Extended Public Works Programme*		*T 3.11.6*

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	0	0	0	0	0
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	0	0	0	0	0
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.11.9*

Employees: Local Economic Development Services					
Job Level	**Year -1**	**Year 0**			
	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	3	2	1.056	10%
7 - 9	3	3	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	9	10	9	1.084	10%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.11.8*

Capital Expenditure Year 0: Economic Development Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A	0	0	0	0	0
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.11.10*

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.8 LIBRARIES.

INTRODUCTION TO LIBRARIES

The main aim of library and information services is to empower communities through meeting their needs with regards to access to information. It improves education, culture and recreational opportunities by providing resources in various formats to the entire community. To promote the culture of reading and effective use of library resources the following activities were conducted by library and information services through the following libraries:

- Stutterheim Public Library, Cathcart Public Library, Kei Road Public Library, Kati-Kati Public Library and Mgwali Public Library.

Amahlathi LM Libraries functioning is improving over the years as all programmes are being introduced including the availability of WIFI services in 5 libraries. 2 Libraries are using the brocade library system whilst others are in the process of actively using the system.

MEMBERSHIP STATISTICS FOR LIBRARIES.

Stutterheim Public Library : 5 139
Cathcart Public Library : 899
Kei Road Public Library : 288
Kati kati Public Library : 574
Mgwali Public Library : 12

Walk- in : 13 115 library patrons

BOOK CIRCULATION

Stutterheim and Cathcart Public Library : 14 261

Employees: Libraries;					
Job Level	Year -1	Year 0			
	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	3	3	3	0	0%
7 - 9	1	1	1	0	0%
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	7	7	7	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.12.4*

Financial Performance Year 0: Libraries;					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other	R116 578.16	R143 235.00			
Total Operational Expenditure					
Net Operational Expenditure					

Capital Expenditure Year 0: Libraries;					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	NA	N/A	N A	N/A	N/A

Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.12.6*

***Human Resources for the libraries is as follows:** 06 librarians of which 02 are municipal employees and 04 DSRAC employees; 03 library assistants of which 01 Library Assistant is a municipal employee and 02 DSRAC employees through the EPWP programme.* To enhance the operation of Library and Information Services, libraries received the following resources:

Resource	**Sponsor**
1 300 donations of books received	Walter Sisulu University
3 boxes donations of books received	Buffalo City Metropolitan Municipality
10 boxes of new books received	Department of Sport, Recreation, Arts and Culture
40 donations of books received	Friends of the library

Promotion of Libraries

In promoting the culture of reading and marketing libraries outreach programmes through awareness were conducted in all areas around Amahlathi Municipality as follows:

NAME OF EVENT	**VENUE**	**DATE**
Awareness campaign	Nonyameko Public School at Ndakana	17 July 2024
Partook in Mandela day	Sophumelela Public School at Langdraai	18 July 2024
Awareness campaign	Jongile Nompondo High School	30 July 2024
Literacy day	Cathcart High School	7 August 2024
Career dress-up day	Amatolaville Public School	28 August 2024
Spelling bee	Stutterheim Library	30 August 2024
International Literacy day	Masimanyane High School	4 September 2024
Awareness campaign	DG Public School	6 November 2024
Awareness campaign	Cenyu Public School	21 November 2024
Holiday program	Rise Up Kiddies	10 December 2024
Awareness campaign	Stutterheim Correctional Services	29 January 2025
Read aloud day	New Garden School (Stutterheim), Footsteps (Cathcart), Ncedisizwe (Katikati), Emajwareni (Mgwali)	5 February 2025
Library week	Heckel Primary School	12 March 2025
World book day	Kubusie High School	9 May 2025

Awareness campaign	Ndakana Public School	14 May 2025
Readathon	Sivuyile Public School	28 May 2025

E-books

- Electronic books are active, all registered libraries' patrons have been registered for access to e-books, were furthermore taken through e-books process.

Mini – Library for Blinds (MINILIB)

- Visually impaired patrons utilize audiobooks that were loaded to their envoy connect portable devices.

Keiskammahoek

- Library team successfully assisted more than 30 applicants for universities in Keiskammahoek Springbok Hall in supporting greater access to higher education, the focus was on grade 12 learners as well as youth that had not applied the previous year. The process of online application is progressing in all Amahlathi libraries.

Library Displays

Displays have been laid in all Amahlathi libraries on monthly bases commemorating different historical events.

District Event

- Jongile Nompondo and Cathcart High Learners represented Amahlathi Municipality in a District event that was held at Great Kei Municipality on the 16th of August 2024. The Afrikaans book review winner from Cathcart High partook in a Provincial Literacy Day that was held at Mthatha on the 6th to 7th September 2024, was also nominated for Funda Mzantsi Championship that was in George on the 23rd to 27th September 2024.

Zamukhanyo Daliwe, RC primary schools represented Amahlathi in a District event that took place at Mnquma municipality on the 23 October 2024, where they achieved top positions in book reviews, spelling bee and reading.

Book clubs

Izithole book clubs have been active in all libraries, each library has adopted 10 learners from an identified school to partake in Izithole book club program.

3.9 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

Cemetries fall under the Parks and Gardens Section. All wards have cemeteries with burial plots being sold at the Mlungisi location cemetery, Stutterheim town cemetery, Keiskammahoek and Cathcart. There is a need to identify new cemeteries especially in Stutterheim and this requires land to be identified. Cemetries are cleaned regularly with the assistance of EPWP participants.

There municipality does not have a crematorium.

166 burial plots were sold during the 2024/25 financial year with tariff depending on site location and type of coffin.
16 destitute families were assisted with burial throughout the Municipality.
Due to staff shortage, there is no staff specifically dedicated to cemeteries , all employees in the Parks and Gardens Section do all work.
The disposal of the dead function is a district in terms of the Powers and Functions.

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	3	3	3	0	0%
4 – 6	0	0	0	0	0%
7 – 9	1	1	1	0	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	3	3	3	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.13.4

Financial Performance Year 0: Cemeteries and Crematoriums R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other	R143 090.11	R207 439.00			
Total Operational Expenditure					
Net Operational Expenditure					

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.13.5

Capital Expenditure Year 0: Cemeteries and Crematoriums					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.13.6*

3.10 FIRE

<u>INTRODUCTION TO FIRE SERVICES</u>

The function is severely underfunded despite legislative obligations imposed upon the municipality. Efforts of the Fire Service are aimed at risk management which has reduced the number of fire call outs from over 160 per annum to below 90 per annum. Service priorities are fire prevention, fire protection and fire suppression in order to protect life, property, environment and local economic development. Fire risk reduction and prevention strategies within the municipal forest and commonages are supportive of local economic development opportunities for the community as well as the municipality.

Fire Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	83			
2	Total of other incidents attended in the year	6			
3	Average turnout time - urban areas	Less than 20 minutes			
4	Average turnout time - rural areas	More than 20 minutes			
5	Fire fighters in post at year end	4		4	6
6	Total fire appliances at year end	1	3	1	3
7	Average number of appliances off the road during the year	1			1
					T 3.21.2

Employees: Fire Services					
Job Level	Year -1	Year 0			
Fire Fighters Administrators	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Chief Fire Officer & Deputy					
Other Fire Officers					

0 - 3	1	1	1	0	0%
4	4	4	4	0	0%
Total	22	23	22	1	4.54%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.21.4

Financial Performance Year 0: Fire Services

R'000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Fire fighters					
Other employees					
Repairs and Maintenance					
Other	R42 143.94	R237 637.00			
Total Operational Expenditure					
Net Operational Expenditure					

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.21.5*

Capital Expenditure Year 0: Fire Services R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.21.6*

THE PERFORMANCE OF FIRE SERVICES OVERALL:

The fire and rescue service has a fire station in Stutterheim serving the entire municipality and currently has only had one fire truck operational since June 2023. Service delivery time frames and even responses are consequently jeopardized on a regular basis during the annual winter fire season. This may lead to loss of or harm to life, property, local economic development opportunities and the environment.
Fire service risk management strategies are being maintained in that the service meets its annual targets of fire break implementations, fire awareness campaigns, fire hydrant inspections and fire safety inspections.
There is urgent need to expand the fire service to Cathcart, Keiskammahoek and Kei Road, where fire outbreaks are allowed to get large and dangerous due to long distance travel time from Stutterheim. At least 2 more fire trucks and bakkies are required to manage the risk of fire and at least 3 fire supervisory posts will need to be funded, in order to provide an efficient service to these areas.

3.12 OTHER (DISASTER MANAGEMENT AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT

Disaster management has at its core the functions of prevention, mitigation, preparedness, response and recovery. It is a multi-disciplinary function that encompasses varied and wide fields of service delivery in coordination with a wide spectrum of stakeholders and role players. This coordination usually takes place via a Joint Operational Centre.
The section has had an extremely busy year having dealt with large scale wind and rainfall damages as well as several fires. The municipality was affected by severe disasters with the severe being In March where settlements were total destroyed living dwellers displaced. All affected households received due attention in terms of humanitarian aid from Gift of the Givers and Hope of Africa and the section closely cooperated with District, Provincial and National spheres of government as well as private organisations within set deadline timeframes to give meaningful effect to response and recovery aspects to affected communities. The section conducted 51 disaster vulnerability assessments which were followed up by 10 disaster relief operations. At least 13 Joint Operations Centre meetings took place to ensure coordinated and efficient management of incidents and their victims. Advisory forum meetings were held to improve on related challenges from the year and plot a better way forward. 14 awareness campaigns were held with the purpose of improving community disaster, fire and safety awareness.

There unit is operating within the fire services unit as there are currently no personnel dedicated. However, a position had been added and approved in the Organogram. The Municipality has a Service Level Agreement with SPCA for the management of the municipal animal pound.

Capital Expenditure Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.22.6*

3.11 TRAFFIC SERVICES/ LAW ENFORCEMENT

There is a functional traffic department at Amahlathi Local Municipality. The Motor Vehicle Licensing and Registration section collected a total of R 1 742 715.00 for the 2024/2025 financial year.
The Driving License Testing Centre section collected a total of R 957 716.25 for the 2024/2025 financial year.

TOTAL INCOME BY MVRA		R 957 716.25
TOTAL INCOME BY DLTC		R 1 742 715.00
TOTAL BY TCS		**R 20 800.00**

54 roadblocks were conducted, and 733 tickets were issued on road regulations transgressions.

Financial Performance Year 0: Law Enforcement R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other	R102 373.25	R170 000.00R15			
Total Operational Expenditure					
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.22.5*

COMPONENT E: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.12 EXECUTIVE AND COUNCIL

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Executive Services Department encompasses both the office of the municipal manager and strategic services. The department's primary focus is to provide strategic direction and support to the council's development initiatives. The main functions are strategic planning and management, communications, special programmes, satellite offices, legal services, internal auditing, risk management, intergovernmental relations, management of staff of political offices and political office administration. The support function on political offices includes management and administrative support provided to MPAC, Women Caucus and Rules and Ethics Committee.

Employees: The Executive and Council					
Job Level	Year -1	Year 0			
	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	0	0	0	0	0%
7 - 9	13	19	14	6	68%
10 - 12	1	4	1	0	25%
13 - 15	3	9	2	6	33%
16 - 18	1	2	1	1	50%
19 - 20	1	1	1	0	100%
Total	19	35	20	16	54%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.24.4*

Capital Expenditure Year 0: The Executive and Council					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
Project A	0	0	0	0	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.24.6*

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The executive services fell below the performance bar of 80% for the 2024/25 financial year. The root causes include planning on indicators that are controlled outside the department. The department depended on the Provincial Treasury for the quality assurance on the internal audit function. The impact of the reversal of standardization led to some employees falling sick for prolonged periods. Some performance indicators suffered as a result. Executive services managed to make 79%. The five targets that are not met constitute 21%. The department has braced itself to ensure this does not happen in 2025/26 financial year. The two performance indicators that could not be achieved by internal audit are incorporated into this financial year's plan. The other two performance indicators from legal service are split. The one on compliance is given to internal audit. Legal is place under close monitoring by the accounting officer to ensure the performance of legal matters. The remaining SPU target was postponed owing to budget constraints. During this financial year, a request for the budget will be submitted at budget adjustment stage.

3.12 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

In order for a municipality to be Financially Sustainable services should generate a surplus to fund support functions. The municipality's collection rate for Electricity is close to the Targeted collection rate. The municipality is experiencing challenges with implementing the credit control policy within the Eskom Licensed areas.

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 %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	24168893	48%	22003286	13642037	62%	14460559	70%
Electricity – B	47137912	56%	63421803	53123115	84%	56310502	90%
Electricity – C							
Water – B							
Water – C							
Sanitation							
Refuse	11558281	50%	11734358	4576399	39%	4850983	50%
Other							

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.

T 3.25.2

Employees: Financial Services					
Job Level	Year -1	Year 0			
	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	1	2	2	0	0%
7 – 9	11	11	11	0	0%
10 - 12	8	9	8	1	4%
13 - 15	2	2	2	0	0%
16 - 18	2	2	2	0	0%
19 - 20	1	1	1	0	0%
Total	25	27	26	1	4%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.25.4*

Financial Performance Year 0: Financial Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	36 816 977	31 273 051	38 705 854	36 892 197	-1.3%
Expenditure:					
Employees	23 845 057	25 168 169	22 605 172	20 788 178	-17%
Repairs and Maintenance	0	0	0	0	0%
Other	13 438 371	15 279 049	13 470 589	12 558 319	-7%
Total Operational Expenditure	35 060 477	40 447 737	36 075 761	33 346 497	-8%
Net Operational Expenditure	1 756 500	-9 174 686	2 630 093	3 545 700	34%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.25.5*

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 All	62 147 850	84 846 351	74 234 387	0%	
Paving of Xholorha Internal Roads	13 850 000	13 850 000	13 982 553	1%	0
KKH Recreation Centre	4 600 000	5 243 000	5 455 372	19%	0
Mlungisi Sportfield	5 400 000	5 400 000	5 059 006	-6%	0
Regraveling of Phumlani Community	4 000 000	4 000 000	3 986 147	0%	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.25.6*

The PMU section develops a 3 year plan and present it to Council. Priortiy is given to capital projects selected by Council to be included in the IDP. Additional consideration is given to projects that are in implementation stage. Other than Mlungisi Sportsfield, the 5 year targets set out in the IDP schedule can be obtained. No material variations are expected from the total approved project values.

3.13 HUMAN RESOURCE SERVICES

Human Resources is a strategic approach to managing an organization's valuable assets, its people focussing on Recruitment, training, Performance Management and Employee Relations. HRM plays a crucial role in aligning the workforce with the organisations goals and ensuring a productive work environment.

The following are the lists of positions that were filled in the financial year 2024/2025

POSITION	DEPARTMENT	FUNDING STATUS	STARTING NOTCH	TG	CURRENT STATUS
CFO	**Budget and Treasury Office**	Funded	R907 864.00	N/A	Commenced duties on 01 September 2024
Town Planning Officer	**Development and Town Planning**	Funded	R234 966.00	09	Commenced duties on 01 September 2024
Solid Waste Driver/ Supervisor	**Community Services Department**	Funded	R185 345.00	07	The candidate resumed duties on 01 October 2024
Communications Officer	**Office of the Municipal Manager**	Funded	R234 966.00	09	The candidate resumed her duties on 01 December 2024

POSITION	DEPARTMENT	FUNDING STATUS	STARTING NOTCH	TG	CURRENT STATUS
Traffic Officers x 4	**Community Services Department**	Funded	R303 944.00	09	The 3 recommended candidates resumed duties on 01 January 2025, the fourth one will resume duties on 01 February 2025
Accountant Budget and Financial Reporting	**Budget and Treasury Office**	Funded	R454 875.00	12	The candidate resumed his duties on 01 January 2025
Driver to the Office of the Speaker	**Office of the Speaker**	Funded	R160 222.00	06	The candidate resumed his duties on 01 February 2025
Community Liaison Officer	**Office of the Mayor**	Funded	R321 828.00	09	The candidate resumed his duties on 01 February 2025

FILLED POSITIONS FOR FROM 01 JULY 2024 – 30 JUNE 2025

TRAINING AND DEVELOPMENT

Funding was sourced from LGSETA to conduct the following training.

- Leadership and Development Training which was catered for Managers, Officers, and Supervisors.
- LED Training.
- Pothole Patching Training which catered for (Unemployed and employees from Engineering Services and EPWP.
- Environmental Practice for municipal employees and unemployed
- Municipal Finance Programme

Employees: Human Resource Services 2024/2025					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
No task	1	0	1	0	
0 - 3	1	0	1	0	
4 - 6	6	7	6	0	
7 - 9	8	8	8	0	
10 - 12	6	3	6	0	
13 - 15	1	0	1	0	
16 - 18	1	1	1	0	
19 - 20	0	0	0	0	

Total	24	19	24	0	
*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T3.26.4					

Performance has been cascaded to employees from Task Grade twelve (12) and above and reviews are co-ordinated by each Head of Department then submitted to IDP/PMS office within three (3) working days of the next month after the end of each quarter. It has not yet been cascaded to employees below task grade 12. All targets have been met except for two targets that the department has to put emphasis on.

3.14 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Introduction to information and communication technology (ICT) services

The Information and Communication Technology (ICT) Services unit plays a critical role in supporting the organization's operational effectiveness, digital transformation, and service delivery capabilities. Over the past year, ICT has continued to align its strategic priorities with the broader institutional objectives, focusing on enhancing system reliability, improving user support services, and advancing digital infrastructure and automation of some of the functions of the municipality.

Key priorities during the year included:

- Strengthening cybersecurity and data protection measures
- Expanding and modernizing network infrastructure
- Enhancing remote working capabilities and collaboration tools
- Streamlining IT service management through automation.
- Strengthening ICT infrastructure to support core municipal services
- Improving staff access to reliable internet and digital tools
- Enhancing cybersecurity and data backup measures
- Reducing system downtime and improving response times for support
- Installation of Wi-Fi nodes across the ALM buildings.

ICT Human Resources

ICT Team includes:

- 2 permanent ICT staff
- 2 ICT interns (joined September 2024 & May 2025)

Infrastructure & Operations:

All municipal buildings are connected via ALM's internal network.

Internet access and **VoIP**, and soft phones are available across the sites.

ISP appointed to improve internet connectivity; **Wi-Fi hotspots installed** at all sites.

Data Management & Continuity

- Disaster Recovery Plan is approved.
- Data backup software is deployed and supports remote backups, reliant on optimal LAN performance.
- Emails migrated to **Microsoft 365** and are fully functional, hosted at an East London data centre.

Significant progress was made in these areas, with notable impact including improved system uptime, faster resolution of support tickets through the online ticketing system that we introduced as an ICT unit, and enhanced user experience across platforms and remote working tools to be able to assist end-users across the scattered municipal buildings timeously. Additionally, the implementation of cloud-based services and upgrades to core infrastructure resulted in greater scalability and cost-efficiency, and fast internet speed through the appointment of the new ISP for the municipality.

To improve performance, ICT introduced new monitoring tools and enhanced ICT staff training in line with evolving technologies through Khan Academy in cybersecurity. These efforts contributed to a measurable increase in system availability and end-user satisfaction. Furthermore, the consolidation of legacy systems and migration to more efficient platforms resulted in substantial operational savings and reduced technical challenges and delays.

In summary, ICT Services has made considerable strides in driving innovation, improving resilience, and delivering value-added support across the municipality. The foundations laid this year will continue to support future initiatives and digital transformation goals.

<u>SERVICE STATISTICS FOR ICT SERVICES</u>

The current manual service incident ticket system is designed to ensure that calls logged by employees are properly tracked and resolved successfully without hindering the business function of the municipality.

The following are the key areas that logged calls were about:

TYPE	NATURE	NO
Request Capture	All request from officials is captured and verified in web-based helpdesk(Spiceworks helpdesk).	78
Request Ticket	Tickets were opened to track the customer name, employee(s)email and incident description.	78
Problem Resolution	IT Technicians attempt to resolve all problems and request supported systems and applications. If the problem remains unresolved it is escalated to the next level of support.	0
Incidents Closure	All incidents are closed when resolution has been offered to the respective employees(s), however a resolution report process is not completed by the unit yet.	0
Customer Satisfaction	Surveys have not been established yet to determine the level of customer satisfaction.	0

- Improved response time: Average ticket resolution time decreased significantly due to a new internal helpdesk system and improved issue tracking.
- Reduced outages: Fewer infrastructure outages were recorded due to proactive maintenance and the replacement of outdated equipment.

- Growth in digital systems: Two new systems were introduced to automate internal processes and support service delivery.

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3				0	0%
4 - 6				0	0%
7 - 9				0	0%
10 - 12	1	1	1	1	100%
13 - 15					0%
16 - 18	1	1	1	1	100%
19 - 20	0	0	0	0	0%
Total	2		2		100%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T3.27.4

3.15 LEGAL& RISK MANAGEMENT

Employees: Property; Legal; Risk Management;					
Job Level	Year -1	Year 0			
	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	0	0	0	0	0%
7 - 9	1	3	0	2	33%
10 - 12	0	1	0	1	0%
13 - 15	0	0	0	0	0%
16 - 18	0	2	1	0	0%
19 - 20	0	0	0	0	0%
Total	1	6	1	3	17%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.28.4*

INTRODUCTION TO LEGAL& RISK MANAGEMENT

The department performed better on its strategic and operational risk management and thus falling above the performance bar of 80%. Both in-year monitoring reports and the annual report show that the department generally fell above 80%. The department further worked on the legal matters in the municipality. A report on legal matters was produced on each quarter and submitted for the standing committee to consider. A challenge with this was only experienced in the second quarter when the responsible employee fell sick and was unable to prepare and submit the report as required. A litigation register is also prepared for the monitoring of the litigations and provision of an opinion to council.

COMPONENT F:

3.16 SPORT AND RECREATION

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

The component falls under the Parks and Gardens Section. No personnel are dedicated to the function. The Municipality has 16 public amenities inclusive of the recreational centre spread out in all clusters although some of these are in poor state due to not being maintained and as such buildings are exposed to vandalism and burglaries. The Municipality however does make effort to maintain these through a combination of in-house repair work by the handyman and outsourced maintenance through contractors. There are sports field in all wards for rugby and soccer being mended by the municipality and these being used for various tournaments especially during Easter season.

There is also a state-of-the-art sport field at Mlungisi location being constructed in phases towards being completed

COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD

a) INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

In the 2024/2025 financial year, attempts were made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives enshrined in the IDP. The municipality has continued to maintain the effective operation of the following mechanisms:

- The 2022-2027 IDP included strategic objectives, strategies, and key performance indicators (KPIs) as required by the Municipal Systems Act, 32 of 2000;
- The 2024/2025 budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003;
- After approval of the budget, the SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies. The development of the SDBIP was informed by below

planning and reporting cycle in the quest to create a balance between integrated planning, reporting and accountability.

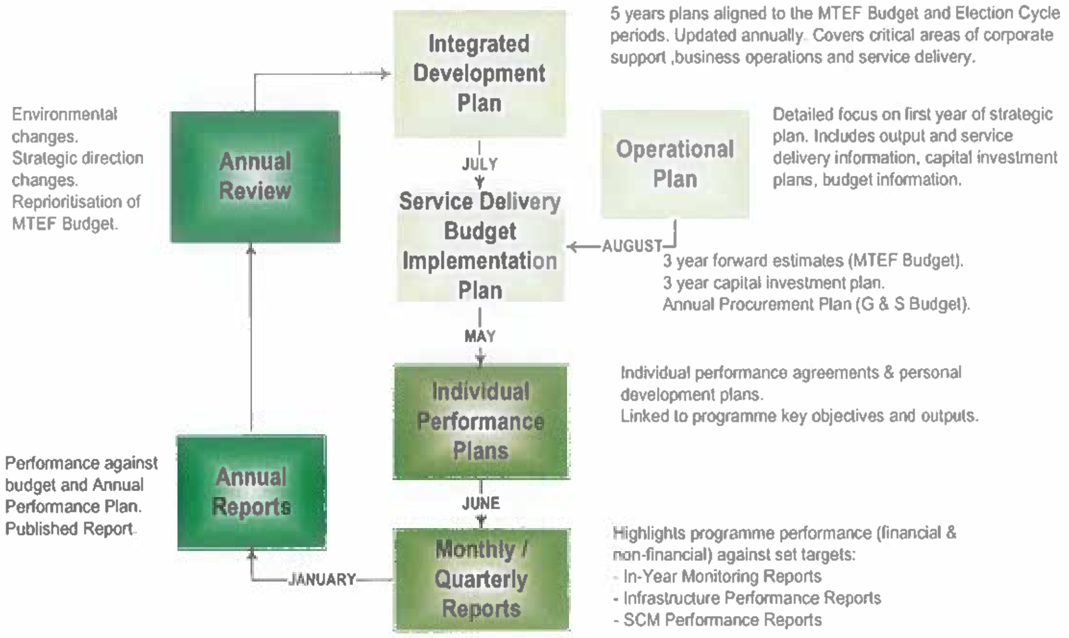


Figure 2: Planning & Reporting Cycle

- Adoption of the 2024/2025 Organizational Performance Management System and score card for monitoring and review of performance;
- Performance agreements with performance plans were developed, signed and approved by the Honorable Mayor as required by the Municipal Performance Regulations, 2006;
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager (MM); and
- Quarterly performance reports were objectively and independently audited by the Internal Audit unit to verify and to confirm performance information as reflected in the reports.

b) CHALLENGES FACED BY THE MUNICIPALITY

The following challenges were encountered in the period under review:

- Slow revenue collection
- Lack of Office Space and tools of trade
- Lack of construction plant.

c) 3.1 STRATEGY TO OVERCOME THE CHALLENGES AND AREAS OF UNDERPERFORMANCE

- Construction or renovation of municipal offices
- Development of strategies to address high employee cost i.e. grading all job descriptions for both existing and vacant positions etc.
- Allocate budget for purchase of construction plant.

d) CHANGES TO PLANNED TARGETS

Section 72 (1)(a)(ii) of the MFMA states that an accounting officer of a municipality, must by 25 January of each year assess the municipality's service delivery performance during the first half of the financial year, and the service delivery targets, and performance indicators set in the SDBIP.
In preparation for the mid-year review of performance, management prepared quarterly reports, measured and analysed performance of the first six months of 2024/25. During the review management reviewed performance for the first and second quarter and also anticipated the last six months of the 2024/25 financial year incognisance of the feasibility to implement certain programmes based on priority and budget availability.

This process culminated to a ***mid-year performance report*** which highlighted achievements, non-achievements with reasons for non-achievement and corrective measures. The process also emerged with targets having to be amended going into the last six months of the financial year and about 16 targets be added from the strategic SDBIP as the municipality received additional grants i.e. Disaster Grant and Small-Town Regeneration Grant, 1 target removed to financial constraints and 4 targets were adjusted all these amendments were duly approved by all requisite authorities including Council. The table below depicts the changes made on 2024/25 SDBIP financial year as alluded above. Some targets were revised and 1 was removed due to financial constraints.

e) 3.6 PROGRESS REPORT AUDITOR GENERAL'S FINDINGS: PREDETERMINED OBJECTIVES

Refer to attached AG Action Plan in Chapter 6

f) 3.7 FINANCIAL PERFORMANCE INFORMATION - CAPITAL EXPENDITURE 2024/25

Account Description	*Funding*	*Original Budget*	*2nd Adjustment*	YTD Exp (Excl. Vat)
Amabele Roads	Disaster Grant	-	1 868 167,00	1 594 559,53
Bridge between Rhawini and Bongweni	Disaster Grant	-	811 570,00	664 509,84
Kubusie Roads	Disaster Grant	-	2 853 741,00	2 567 678,05
Mandlakapheli Village roads	Disaster Grant	-	2 742 092,00	2 296 549,84
Mlungisi township roads	Disaster Grant	-	2 549 863,00	1 883 670,60
Sutterheim - Landfill Site Road	Disaster Grant	-	935 513,00	1 364 673,71
Upper & Lower Ngqumeya	Disaster Grant	-	2 471 253,00	2 017 960,00
Toise Road and Storm water Project	Disaster Grant	19 145 000,00	-	-
Regraveling Cenyu Village Internal Roads	Disaster Grant	-	3 500 000,00	3 043 283,44
Regraveling Goshen Internal Roads	Disaster Grant	-	2 970 000,00	2 896 260,78
Regraveling Emagcumeni Village	Disaster Grant	-	1 450 000,00	1 256 262,83
Regraveling Pumlani Village	Disaster Grant	-	4 000 000,00	3 466 215,19
Regraveling Ethembeni Village	Disaster Grant	-	3 200 000,00	2 782 077,67
Regraveling Road to Sophumelele	Disaster Grant	-	3 500 000,00	3 039 592,21
Regraveling Kubusie gravel road from area 5 to Mahanjane	Disaster Grant	-	525 000,00	-
KKH recreation Centre	MIG Grant	4 600 000,00	5 243 091,04	4 772 497,89
Mbaxa Community Hall	MIG Grant	2 300 000,00	2 473 854,42	2 698 561,33
Mlungisi Sportfield	MIG Grant	5 400 000,00	5 400 000,00	4 407 684,33
Paving of Xholorha Internal Roads	MIG Grant	13 232 850,00	13 850 000,00	12 158 741,85
Phumlani Community Hall	MIG Grant	2 000 000,00	183 054,54	159 177,86
Municipal Offices	MIG Grant	8 000 000,00	8 382 850,00	7 033 489,33
STR KKH Roads	OTP	-	1 500 000,00	-
STR KKH Electricity	OTP		500 000,00	102 240,00
STR Stutterheim Electricity	OTP		1 000 000,00	1 865 659,90
STR Stutterheim Roads	OTP		1 000 000,00	818 817,33
Upgrade Cathcart Substation	INEP Grant	1 860 000,00	1 860 000,00	1 618 260,87

Account Description	***Funding***	***Original Budget***	***2nd Adjustment***	**YTD Exp (Excl. Vat)**
HV Substation	EEDSM Grant	3 000 000,00	2 850 000,00	2 454 662,50
Vehicles (Cherry Picker)	Own Funding	700 000,00	1 400 000,00	1 198 032,32
Furniture and Office Equipment	Own Funding	950 000,00	950 000,00	976 910,00
Vehicles	Own Funding	400 000,00	650 000,00	613 610,18
Machinery and Equipment	Own Funding	560 000,00	560 000,00	431 589,84
Vehicles (Traffic)	Own Funding	-	600 000,00	637 351,65
Computer Equipment	Own Funding	-	178 000,00	332 421,62
Waste Trucks	Own Funding	-	1 416 500,00	1 434 421,14
Landfill Site	Waste Grant	-	1 471 802,00	430 386,00
		62 147 850,00	**84 846 351,00**	**73 017 809,63**

g) 3.8 PERFOMANCE OF SERVICE PROVIDERS FOR THE YEAR ENDING 30 JUNE 2025

Project Managers were requested to rate the performance of the Service Providers appointed by Council on the various projects. Service Providers and Contractors are rated in terms of the following:

- **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** - 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 ALM.
- **Excellent** - The Contractor/Service Provider has completed the work up to the expected standard required. The requirements of the tender were achieved to the expectation of the municipality. There is a high quality of work and outstanding results were achieved.

Below is the performance rating of the municipality's service providers;

No	Bid No	Name of Service Provider	Project Name	Rating	Comment
1	SCM/32/2019-20	C-Track Mzansi	Extension of appointment-Provision of Fleet Management, Vehicle Monitoring & Tracking System For a Period of 3 years	Acceptable	Project is proceeding well
2	ALM/SCM/3-4/2020-21	Revco	Provision of debt collection Services	Acceptable	Project is proceeding well
3	SCM/11/2019-20	First Rand Bank Limited	Banking Services	Acceptable	Project is proceeding well
4	ALM/SCM/01/2021-22	Taleni Godi Kupiso inc	Provision of Legal Services for a period of three (03) years	Acceptable	Project is proceeding well

No	Bid No	Name of Service Provider	Project Name	Rating	Comment
5	ALM/SCM/01/2021-22	Mabece Tilane Inc	Provision of Legal Services for a period of three (03) years	Acceptable	Project is proceeding well
6	ALM/SCM/01/2021-22	Magqabi Seth Zitha Inc	Provision of Legal Services for a period of three (03) years	Acceptable	Project is proceeding well
7	ALM/SCM/16/2021-22	Xerox Eastern Cape	Extension of appointment:Leasing of photocopying machines	Acceptable	Project is proceeding well
8	ALM/SCM/17/2021-22	Black Mountain Consulting Engineers	Provision of professional Civil Engineering Services for a period of 36 months	Acceptable	Contract has expired, consultant is finishing the projects it was undertaking
9	ALM/SCM/17/2021-22	Beecon Holdings (Pty) Ltd	Provision of professional Civil Engineering Services for a period of 36 months	Acceptable	Contract has expired, consultant is finishing the projects it was undertaking
10	ALM/SCM/17/2021-22	Kukho Consulting Engineers	Provision of professional Civil Engineering Services for a period of 36 months	Acceptable	Contract has expired, consultant is finishing the projects it was undertaking
11	ALM/SCM/08/2022-23	Magidi revenue protection	Supply & Delivery of Electrical Metres for 36 months	Acceptable	Project is proceeding well
12	ALM/SCM/27/2022-23	Lateral Unison Insurance Brokers	Provision of Insurance service for Municipal Assets for a period of 3 years	Excellent	Project is proceeding well
13	ALM/SCM/28/2022-23	Vitsha Trading	Construction of Keiskammahoek Multi-Recreational Centre	Acceptable	Project is proceeding well
14	ALM/SCM/30/2022-23	Utilities World (Pty) Ltd	Provision of prepaid vending solution for a period of three (03) years	Acceptable	Project is proceeding well
15	ALM/SCM/33/2022-23	Metro Computer Services (Pty) Ltd	Supply, Delivery & Installation of Laptops	Acceptable	Project is proceeding well
16	ALM/SCM/36/2022-23	CCG Systems (Pty) Ltd	Provision of Maintenance, Support, Licensing & upgrade of sage evolution financial system for a period of 3 years	Acceptable	Project is proceeding well

No	Bid No	Name of Service Provider	Project Name	Rating	Comment
17	ALM/SCM/47/2022-23	Black Mountain Consulting Engineers	Panel of three professional Eletrical Engineering Services for a period of three years	Acceptable	Project is proceeding well
18	ALM/SCM/47/2022-23	Bigen Africa Services (Pty) Ltd	Panel of three professional Eletrical Engineering Services for a period of three years	Acceptable	Project is proceeding well
19	ALM/SCM/47/2022-23	ASCA Consulting t/a Vokon Afrika Consulting	Panel of three professional Eletrical Engineering Services for a period of three years	Acceptable	No projects were assigned to them in the last three quarters
20	ALM/SCM/35/2022-23	Riley Auctions Africa t/a Riley Auctioneers	Provision of Auctioneering Services for the Disposal of ALM sites	Acceptable	Project is proceeding well
21	ALM/SCM/49/2022-23	Mikuwo Construction	Panel of three Service Providers for Cherry Picker and Crane Truck hire for three (03) years	Acceptable	Project is proceeding well
22	ALM/SCM/04/2023-24	Jemic Motors cc	Panel of three Service providers for provision of fleet maintenance services for a period of three (03) years	Acceptable	No projects were assigned to them during this quarter
23	ALM/SCM/05/2021-22	Mikuwo Construction	Panel of three service providers for a plant hire for a 36-month period for Amahlathi Local Municipality	Acceptable	Project is proceeding well
24	ALM/SCM/05/2021-22	Lunika Investments (Pty) Ltd	Panel of three service providers for a plant hire for a 36 month period for Amahlathi Local Municipality	Acceptable	No projects were assigned to them during this quarter
25	ALM/SCM/05/2021-22	Express Builders cc	Panel of three service providers for a plant hire for a 36-month period for Amahlathi Local Municipality	Acceptable	Project is proceeding well
26	ALM/SCM/05/2021-22	A 2 A Kopano Incorporated	Update & Maintenance of GRAP-Compliant fixed Asset Register	Acceptable	Project is proceeding well
27	ALM/SCM/47/2023-24	XL Aloe Travel	Panel of Service providers for the provision of Travelling Agency Services for a period of three (03) years	Acceptable	Project is proceeding well
28	ALM/SCM/47/2023-24	City of Choice Travel	Panel of Service providers for the provision of Travelling Agency Services for a period of three (03) years	Acceptable	Project is proceeding well

No	Bid No	Name of Service Provider	Project Name	Rating	Comment
29	ALM/SCM/25/2023-24	Civ-Con Projects	Panel of five contractors for the construction of unpaved roads & Associated storm-water structures for a period of one year	Acceptable	Project is proceeding well
30	ALM/SCM/25/2023-24	MVI Construction	Panel of five contractors for the construction of unpaved roads & Associated storm-water structures for a period of one year	Acceptable	Project is proceeding well
31	ALM/SCM/03/2023-24	Lunika Investments	Construction of Xholorha Internal Roads	Acceptable	Project is proceeding well
32	ALM/SCM/42/2023-24	Abantu Environmental Consulting	Waste Management license application for the closure & Rehabilitation of Cathcart Landfill site	Acceptable	Project is proceeding well
33	RT15-2021	Mobile Telephone Networks (Pty) Ltd (MTN)	Provision of voice over internet protocol (VOIP) soft calling/cloud hosted PBX system services for ALM for a period of 24 months	Acceptable	Project is proceeding well
34	ALM/SCM/46/2023-24	Penny Lindstrom Valuations cc	Compilation of valuation roll & Supplementary valuation roll for a period 2025-2030	Acceptable	Project is proceeding well
35	ALM/SCM/05/2024-25	Sizisa Ukhanyo Trading 184 cc	Installation of Burlgars, Tinting of windows, and Installation of Air-conditions to Mzwandile Fanti Recreational Centre	Below standard	Project has been terminated
36	ALM/SCM/03/2024-25	Hello, World Systems,	Website Hosting, upgrade and the Maintenance of the ALM website for a 12-month period	Acceptable	Project is proceeding well
37	ALM/SCM/44/2023-24	ZKS and Nam General Trading	Construction of Mlungisi Sports field phase 3	Acceptable	Project is proceeding well
38	ALM/SCM/45/2023-24	Abram Mashego Construction & Maintenance Works jv PJA General Trading	Construction of Amahlathi Municipal Offices	Acceptable	Project is proceeding well
39	ALM/SCM/22/2023-24	Guqaa (Pty) Ltd	Fencing of Stutterheim Landfill site & Refurbishment of Recycling Facility	Acceptable	Project is proceeding well
40	ALM/SCM/25/2023-24	Civ-Con Projects	Construction of Roads and Stormwater Structures at Cenyulands Village Road	Acceptable	Project is proceeding well

No	Bid No	Name of Service Provider	Project Name	Rating	Comment
41	ALM/SCM/25/2023-24	MVI Construction	Construction of unpaved roads and associated storm-water structures for Phumlani Village, Bumbane & Kom Internal Road in Keiskammahoek (Ward 2)	Acceptable	Project is proceeding well
42	ALM/SCM/11/2024-25	Leko Engineering Consultants	Provision of professional Civil engineering Services for the design and construction supervision on the Construction of Keiskammahoek roads under the small-town revitalization programme	Acceptable	Project is proceeding well
43	ALM/SCM/12/2024-25	Leko Engineering Consultants	Provision of professional Civil engineering Services for the design and construction supervision on the Construction of Stutterheim roads under the small-town revitalization programme	Acceptable	Project is proceeding well
44	ALM/SCM/06/2024-25	Yande Engineering & Projects	Provision of professional electrical engineering services for the design and construction supervision of the streetlights and high mast lights in keiskammahoek under the small-town revitalization programme	Acceptable	Project is proceeding well
45	ALM/SCM/23/2024-25	Qamis Trading Enterprise cc	Supply and Delivery of Traffic uniform for 2024-25 financial year.	Acceptable	Project is proceeding well
46	ALM/SCM/07/2024-25	SNR Electrical cc	Appointment of Electrical service provider for energy efficiency and demand side management	Acceptable	Project is proceeding well
47	ALM/SCM/01/2024-25	CAB Holdings (Pty) Ltd	Provision of Customer Accounts printing & Distribution Services for a period of 3 years	Acceptable	Project is proceeding well
48	ALM/SCM/18/2024-25	Vuxaka Consulting Engineers	Provision of professional services for the construction of Ngqeqe Roads and Storm-water structures	Acceptable	Project is proceeding well
49	ALM/SCM/16/2024-25	Vuxaka Consulting Engineers	Provision of professional services for the construction of Izidenge Roads and Storm-water structures	Acceptable	Project is proceeding well

No	Bid No	Name of Service Provider	Project Name	Rating	Comment
50	ALM/SCM/19/2024-25	Kufanikiwa Consulting Engineers (Pty) Ltd	Provision of professional civil Engineering Services for the Construction of Phumlani Community Hall	Acceptable	Project is proceeding well
51	ALM/SCM/28/2024-25	Dabini Hiring Services	Hiring & Servicing of Mobile Toilets for a period of 4 months	Acceptable	Project is proceeding well
52	ALM/SCM/40/2024-25	A&C Cosmic Solutions	Renewal of Cibecs endpoint data protection licences by a cibecs partner for Amahlathi Local Municipality for a twelve-month period	Acceptable	Service provider recently appointed
53	ALM/SCM/29/2024-25	Nkiseng Solutions (Pty) Ltd	Supply and Delivery of pruning equipment for Community Services	Acceptable	Service provider recently appointed

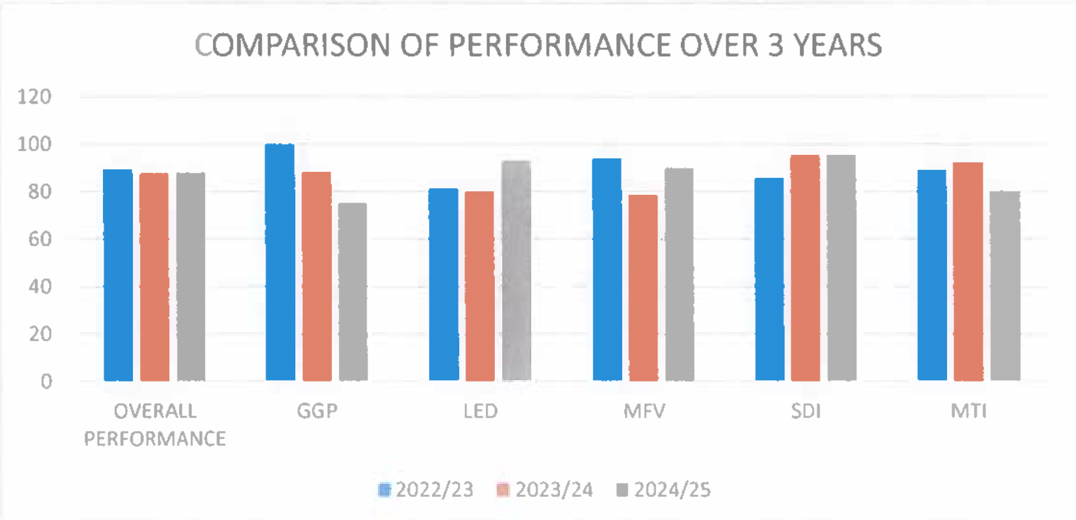
h) INSTITUTIONAL PERFORMANCE

INSTITUTIONAL PERFORMANCE						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	APR 2024/25
SDI	44	0	44	42	2	95,45
MFV	10	0	10	9	1	90,00
GGP	24	0	24	18	6	75,00
LED	14	0	14	13	1	92,86
MTI	15	0	15	12	3	80,00
Overall Performance	107	0	107	94	13	87,85

COMPARISONS OF PERFORMANCE OVER 3 FINANCIAL YEARS

KEY PERFOMANCE AREA	2022/23	2023/24	2024/25
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	100%	88.24%	75,00
LOCAL ECONOMIC DEVELOPMENT	81.25%	80.00%	92,86
MUNICIPAL FINANCIAL VIABILITY	93.75%	78.57%	90,00
SERVICE DELIVERY AND INSTITUTIONAL DEVELOPMENT	85.71%	95.65%	95,45
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	88.89%	92.31%	80,00
OVERALL PERFOMANCE	89.69%	87.80%	87,85

GRAPHICAL PRESENTATION OF ORGANIZATIONAL PERFORMANCE



DEPARTMENTAL PERFORMANCE

The percentages depicted on the table below are only calculated according to the targets met and does not quantify any allocation of performance bonuses. The Core Competency Requirements (CCR's) are not included as the municipality is reflecting departmental performance based on service delivery only.

ENGINEERING SERVICES						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	APR 2024/25
SDI	33	0	33	31	2	93,94
MFV	1	0	1	1	0	100,00
GGP	2	0	2	1	1	50,00
LED	2	0	2	2	0	100,00
MTI	1	0	1	0	1	0,00
Overall Performance	39	0	39	35	4	89,74

COMMUNITY SERVICES						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	APR 2024/25
SDI	8	0	8	8	0	100,00
MFV	1	0	1	1	0	100,00
GGP	2	0	2	2	0	100,00
LED	1	0	1	1	0	100,00
Overall Performance	12	0	12	12	0	100,00

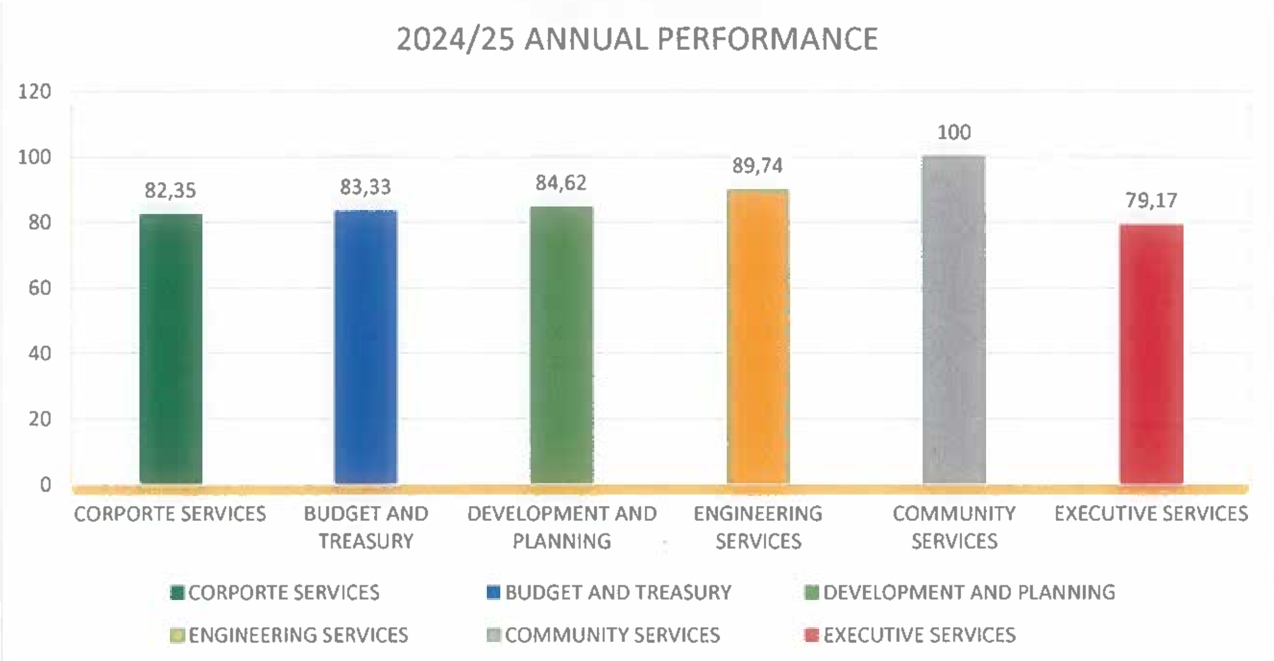
BUDGET AND TREASURY						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	APR 2024/25
MFV	7	0	7	6	1	85,71
GGP	4	0	4	4	0	100,00
LED	1	0	1	1	0	100,00
Overall Performance	12	0	12	11	1	91,67

CORPORATE SERVICES						
KPA	**Total targets**	**N/A Targets**	**Targets for the period**	**Met**	**Not Met**	**APR 2024/25**
GGP	5	0	5	4	1	80,00
MTI	12	0	12	10	2	83,33
Overall Performance	**17**	**0**	**17**	**14**	**3**	**82,35**

EXECUTIVE SERVICES						
KPA	**Total targets**	**N/A Targets**	**Targets for the period**	**Met**	**Not Met**	**APR 2024/25**
SDI	1	0	1	1	0	100,00
MFV	1	0	1	1	0	100,00
GGP	19	0	19	14	5	73,68
LED	1	0	1	1	0	100,00
MTI	2	0	2	2	0	100,00
Overall Performance	**24**	**0**	**24**	**19**	**5**	**79,17**

PLANNING AND DEVELOPMENT						
KPA	**Total targets**	**N/A Targets**	**Targets for the period**	**Met**	**Not Met**	**APR 2024/25**
SDI	2	0	2	2	0	100,00
LED	9	0	9	8	1	88,89
GGP	2	0	2	1	1	50,00
Overall Performance	**13**	**0**	**13**	**11**	**2**	**84,62**

Graphical Presentation



In 2024/25 financial year the performance of Amahlathi Local Municipality reflects a performance rate of 87.85%. Financial Constraints, slow progress on appointed contractor, under collection were amongst challenges which could have led to more improvement on institutional performance. The departments should also ensure that the information provided is reviewed by the head of departments to ensure credibility and accuracy. In terms of departmental performance, Community Services have been consistently maintaining 100% achievement of its set targets, great improvement has been observed on Budget and Treasury Office and Development and Planning Departments. Decline in performance of Executive Services of about 1% and Corporate Services about 11.77%. A total of 13 targets have not been achieved by the municipality with only two service delivery (paving of Xhologha Internal Roads, Installation of smart meters which had to be stopped due to the smart meter grant received

3.17 DETAILED 2024/25 PERFORMANCE RESULTS PRESENTED PER KEY PERFROMANCE AREA (KPA)

11.1 KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (SDI (Weight 40)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
Output 2: Improving access to Basic Services	"To ensure provision of a sustainable road network and public infrastructure within Amahlathi LM by 2027. "	Maintenance and upgrading of the Municipal Road Network Servicing the Amahlathi Local Municipal Area.	% progress achieved on the surfacing (paving) of Xholorha Main Road	100% progress achieved on the paving of 2,3km at Xhologha Township	Target met 1 tender document for Xhologha internal roads compiled and submitted to SCM	Target not met 90% progress achieved on the paving of 2.3 kilometers at Xhologha Township. Variance report is written KPI 3 Please amend the report	Unforeseen additional scope of work to cater for storm water drainage. Variation order was submitted and approved for additional storm water pipes to accommodate the increased storm water run-off. 100% progress on construction of Xhologha road will be in first quarter of 2025/26.	Director: Engineering Services	1.1.1
			% progress achieved on the rehabilitation of Mandlakapheli Village Road.	100% progress achieved on the rehabilitation of 3.9km of	New target – Disaster grant	Target met 100% progress achieved on the [illegible]	N/A	Director: Engineering Services	1.1.2

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
				Mandlakapheli Village Road.		[illegible]			
			% progress achieved on the rehabilitation of Langdraai Village Road.	100% progress achieved on the rehabilitation of 2.1km of Langdraai Village Road.	New target – Disaster grant	[illegible]	N/A	Director: Engineering Services	1.1.3
			% progress achieved on the rehabilitation of Sutterheim - Landfill Site Road	100% progress achieved on the rehabilitation of 2km road culvert reconstruction of Sutterheim landfill site road	New target – Disaster grant	[illegible]	N/A	Director: Engineering Services	1.1.4
			% progress achieved on the rehabilitation of Upper to Lower Ngqumeya road in Keiskammahoek	100% progress achieved on the rehabilitation of 3.6km Upper to Lower Ngqumeya road in Keiskammahoek	New target – Disaster grant	[illegible]	N/A	Director: Engineering Services	1.1.5

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
						[redacted]			
			% progress on the rehabilitation of Tshoxa road in Keiskammahoek	100% progress achieved on the rehabilitation of 2.4km of Tshoxa road in Keiskammahoek	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.6
			% progress achieved on the rehabilitation of Kubusie road in Stutterheim	100% progress achieved on the rehabilitation of 7km of Area 5 to Mahanjane in Kubusie in Stutterheim	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.7
			% progress achieved on the rehabilitation of Mahanjane to Ohlson farm road in Stutterheim	100% progress achieved on the rehabilitation of 3km of Ohlson farm road in Stutterheim	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.8

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
						[redacted]			
			% progress on the reconstruction of Bridge between Rhawini and Bongweni	100% progress on the construction of Bridge between Rhawini and Bongweni	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.9
			% progress achieved on the rehabilitation of Amabele Road in Stutterheim	100% progress achieved on the rehabilitation of 1km of Amabele Road in Stutterheim	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.10
			% progress on the rehabilitation of Stanhope to Jerseyvale Road in Stutterheim	100% progress achieved on the rehabilitation of 2km of Stanhope to Jersey vale Road in Stutterheim	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.11

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
			% progress achieved on the rehabilitation of Gasela Road in Stutterheim	100% progress achieved on the rehabilitation of 1km of Gasela Road in Stutterheim	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.12
			% progress on the rehabilitation of Mlungisi township roads in Stutterheim	100% progress achieved on the rehabilitation of 3.6km of Mlungisi	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.13
			% progress achieved on the rehabilitation of Cenyulands Village Roads in Stutterheim	100% progress achieved on the rehabilitation of 7,7km of Cenyulands Village Roads in Stutterheim	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.14
			% progress achieved on the rehabilitation of Emagcumeni Road in ward 10	100% progress achieved on the rehabilitation of 750m of Emagcumeni	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.15

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
				Road in ward 10 r		[illegible]			
			% progress achieved on the rehabilitation of Road between Peer to Nxawe & Matsa to Nxawe in Ethembeni (ward 7)	100% progress achieved on the rehabilitation of 3,98km Road between Peer to Nxawe & Matsa to Nxawe in Ethembeni (ward 7)	New target – Disaster grant	[illegible]	N/A	Director: Engineering Services	1.1.16
			% progress achieved on the rehabilitation of Goshen Road in Cathcart	100% progress achieved on the rehabilitation of 2km Goshen Road in Cathcart	New target – Disaster grant	[illegible]	N/A	Director: Engineering Services	1.1.17
			% progress achieved on the rehabilitation of Sophumelela Roads in Keiskammahoek	100% progress achieved on the rehabilitation of 2km roads of Sophumelela Roads in Keiskammahoek	New target – Disaster grant	[illegible]	N/A	Director: Engineering Services	1.1.18

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
						[redacted]			
			% progress achieved on the rehabilitation of Ngxondorheni village Roads in Keiskammahoek	100% progress achieved on the rehabilitation of 1.5km Ngxondorheni village Roads in Keiskammahoek	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.19
			% progress achieved on the rehabilitation of Phumulani village Roads in Keiskammahoek	100% progress achieved on the rehabilitation of 1.5km Phumulani village Roads in Keiskammahoek	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.20
			% progress achieved on the rehabilitation of Bumbani village Roads in Keiskammahoek	100% progress achieved on the rehabilitation of 1,5km Bumbani village Roads in Keiskammahoek	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.21

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
						[redacted]			
			% progress achieved on the rehabilitation of Kom village Roads in Keiskammahoek	100% progress achieved on the rehabilitation of 1km Kom village Roads in Keiskammahoek	New target – Disaster grant	[redacted]	N/A	Director: Engineering Services	1.1.22
			% progress on pre-engineering work on the rehabilitation of Stutterheim Roads under the STR grant	100% progress achieved on the pre-engineering work on the rehabilitation of Stutterheim Roads under the STR grant	New target on Small town regeneration grant	[redacted]	N/A	Director: Engineering Services	1.1.23
			% progress on pre-engineering work on the rehabilitation of Keiskammahoek Roads under the STR grant	100% progress achieved on the pre-engineering work on the rehabilitation of Keiskammahoek Roads under the STR grant	New target on Small town regeneration grant	[redacted]	N/A	Director: Engineering Services	1.1.24

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
						[illegible]			
			No of reports on implementation of capital projects	4 reports on implementation of capital projects	Target met 4 reports on implementation of Capital projects submitted	[illegible]	N/A	Municipal Manager	1,1,25
	To ensure sustainable supply of electricity by developing new infrastructure while upgrading and maintaining existing networks by 2027.	Improve electricity infrastructure and reduce losses	No of electricity meters installed	200 meters electricity installed	Target met 439 meters electricity installed	Target not met 155 meters electricity installed	The municipality is participating in the RT29 Smart meter grant project, under which a service provider has been appointed to install smart meters in Amahlathi. Phase one of the project, which include audits, has been completed . Phase two involves the physical	Director: Engineering Services	1.2.1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
							installation of the smart meters. Installation of smart meters in Amahlathi will proceed under the RT29 contract, which is valid for a three-year period . However, all installations are scheduled to be completed by December 2025		
			%progress on the upgrade of streetlights and high mast lights	100% progress on the upgrade of streetlights and high mast lights	New target	[illegible]	N/A	Director: Engineering Services	1.2.2
			%progress on pre-engineering works-11kV Main Intake SwS upgrade phase 2	100%progress on pre-engineering works-11kV Main Intake SwS upgrade phase 2	New target	[illegible]	N/A	Director: Engineering Services	1.2.3

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
						[illegible]			
			%progress on pre-engineering works-3-5MVA 22/11kV Cathcart Substation upgrade phase 2	100% progress on pre-engineering works-3-5MVA 22/11kV Cathcart Substation upgrade phase 2	New Target	[illegible]	N/A	Director: Engineering Services	1.2.4
			% progress on pre-engineering work on the Upgrading of 11kv line and Street Lights in Stutterheim under the STR grant	100% progress achieved on the pre-engineering work on the Upgrading of 11kv line and Street Lights in Stutterheim under the STR grant	New Target	[illegible]	N/A	Director: Engineering Services	1.2.5
			% progress on pre-engineering work on the upgrading of High Mast and Street Lights in Keiskammahoek	100% progress achieved on the pre-engineering work on the upgrading of High Mast and Street Lights in Keiskammahoek	New Target	[illegible]	N/A	Director: Engineering Services	1.2.6

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
			under the STR grant.	under the STR grant		[redacted]			
	To promote safety and security in the municipality by 2027	Implementation of the Community Safety Plan	Number of progress reports on reported disaster incidents submitted to Development and Planning .	4 Progress reports on reported disaster incidents.	Target met 4 Progress reports on reported disaster incidents	[redacted]	N/A	Director: Community Services	1,3,1
		Implementation of the Integrated Fire Management Plan	No of fire awareness campaigns conducted	08 Fire Awareness Campaigns conducted	Target met 13 fire awareness campaign conducted	[redacted]	N/A	Director: Community Services	1,3,2
		Conduct roadblocks	No. of roadblocks conducted	40 roadblocks conducted	Target met 41 roadblocks conducted	[redacted]	N/A	Director: Community Services	1,3,3
		Provision of proper road marking and signage	No. of paintable streets with faded road markings painted	15 paintable streets with faded road markings painted	Target met 15 paintable streets with faded road markings painted	[redacted]	N/A	Director: Community Services	1,3,4

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
	To ensure provision of sustainable public facilities by 2027	Facilitate maintenance and upgrade of sport, community halls, hawker stalls, cemeteries and recreational facilities	% progress towards construction of Keiskammahoek Recreation Centre	100% progress achieved on the construction of the Keiskammahoek Recreation Centre	Target not met 46 progresses towards construction of Stutterheim Recreation Centre	[redacted]	N/A	Director: Engineering Services	1.4.1
			% progress towards construction of Mbaxa Community Hall	100% progress on the construction of Mbaxa Community Hall	Target not met 50% progress towards construction of Mbaxa Community hall achieved	[redacted]	N/A	Director: Engineering Services	1.4.2
			% Progress on upgrades of sport facilities(Mlungisi)	100% Progress on upgrading of Mlungisi Sports field	Target met 1 partially completed sites with no contractors on sites provided with security services (Mlungisi Sport Field)	[redacted]	N/A	Director: Engineering Services	1.4.3
	To promote the culture of reading and	Conduct library activities that promote the	No. of library awareness	08 library awareness campaigns	Target met 12 Library awareness's	[redacted]	N/A	Director: Community Services	1,5,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
	effective use of library resources	culture of reading and effective use of library resource	campaigns conducted	conducted 04 library awareness campaigns	campaigns conducted	[redacted]			
	Ensure that solid waste is managed in an Integrated environmentally friendly and sustainable manner	Review and Implement the Integrated Waste Management plan	Number of Reports on of solid waste programmes implemented by June 2025	4 reports on solid waste programmes implemented by June 2024 (street cleaning , waste collection and disposal)	Target met 4 reports on solid waste programmes implemented by June 2024 (street cleaning , waste collection and disposal) obtained	[redacted]	N/A	Director: Community Services	1,6,1
		Conduct waste management campaigns	No of waste awareness campaigns conducted per cluster	4 waste awareness campaigns conducted	Target met 13 Waste awareness campaign conducted.	[redacted]	N/A	Director: Community Services	1,6,2
	To facilitate a balanced spatial development form for the Municipality	Finalize and Implement the Spatial Development Framework (SDF)	Number of Land Use Reports on compliance to the municipal SDF	4 Quarterly reports submitted on Land Use Applications	Target met 4 reports on compliance submitted	[redacted]	N/A	Director Development and Planning	1.7.1
		Implementation of Forestry Strategy	No of quarterly reports on municipal forestry	4 progress reports on municipal forestry	Target met 1 progress report on municipal	[redacted]	N/A	Director: Community Services	1,7,2

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
			management signed by MM	management signed by MM	forestry management signed by MM	forestry management signed by MM			
	To facilitate access to housing relief	To monitor the progress and implementation on housing applications submitted to Department of Human Settlements	No of reports on housing applications submitted to department of housing	4 reports on housing implementation status submitted to Standing Committee	Target met 4 progress reports on housing applications submitted to department of housing	Target met 4 reports on housing implementation status submitted to Standing Committee	N/A	Director Development and Planning	1,8,1

11.2 KPA 2 MUNICIPAL FINANCE VIABILITY (MFV) – (WEIGHT – 15)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
Output 6: Administrative and Financial Capacity	To continuously ensure an equitable, economical, transparent, fair and value – add supply chain management system/function	Strict adherence to SCM Regulations	No. of quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by the 15th day after end of the quarter	4 quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by the 15th day after end of the quarter	Target met 4 quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by the 15th day after end of the quarter	[redacted]	N/A	Chief Financial Officer	2,1,1
	To maintain an accurate and complete fixed asset register that is compliant with GRAP by 2024	Maintain a fixed asset register that complies with GRAP	No. of material audit queries raised on the updated asset register by the AG.	Zero material audit queries raised on the updated asset register by the AG.	Target not met 1 material finding on calculation of depreciation.	[redacted]	N/A	Chief Financial Officer	2,2,1
	To ensure 100% expenditure of capital budget annually	Monitoring and reporting on the spending (MIG/INEP grants)	% expenditure of capital budget	100% MIG expenditure of capital budget (% applied cumulatively)	Target met 100% MIG expenditure of capital budget (% applied cumulatively	[redacted]	N/A	Director: Engineering Services	2.3.1

	To improve collection of income due from consumer debtors annually.	Collect 90% of billed incom012e	% of billed income collected	85% of billed income collected	Target not met 64.36% of billed income collected	Target not met 66% of billed income collected	Government departments taking longer to verify accounts, By-passed meters and illegal connections, Areas that are supplied electricity by Eskom have a very low collection rate. Further engagement with government departments on reconciliation of accounts with the assistance of Cogta and Treasury. Installation of smart meters through the Smart Meter Grant to all our consumer will assist with the data of meters so that we can identity those	Chief Financial Officer	2,4,1

							who have connected illegal. Treasury is engaging Eskom to assist municipalities in implementing credit control policies in areas supplied by Eskom.		
		Implementation of Revenue Enhancement Strategy	Implementation of Revenue Enhancement Strategy	4 quarterly reports outlining achievements on implementation of Revenue Enhancement Strategy	Target not met 40% of revenue enhancement activities have been implemented		N/A	Municipal Manager	**2,4,2**
	To ensure effective, compliant and credible financial planning, management and reporting by 2027.	Adherence to all applicable financial legislation and regulations	No. of Monthly financial reports (Sec 71 and sec 52 reports) submitted to Mayor and Treasury on the 10th working day of each month	12 Monthly financial report submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days to Mayor and Treasury)	Target met 12 Monthly financial report submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days		N/A	Chief Financial Officer	**2,5,1**

					to Mayor and Treasury)	[illegible]			
		Preparation and submission of credible and GRAP compliant annual financial statements	Date on which GRAP compliant annual financial statements prepared and submitted to the Auditor-General	GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August 2024	Target met GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August 2023	[illegible]	N/A	Chief Financi al Officer	2,5,2
		Financial Viability as expressed by ratios	% Cost coverage (B+C)÷D B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure	To maintain a cost average ratio of 0,07% by June 2025	Target met 0.28% Cost coverage ration maintained (B+C)÷D B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure	[illegible]	N/A	Chief Financi al Officer	2,5,3
		dherence to ervice Level greement	o of weekly reports n motor vehicle egistration	6 weekly reports n motor vehicle egistration	arget met 6 weekly reports n motor vehicle	[illegible]	N/A	irector: ommunit Services	2,5,4

		igned with epartment of ransport	ubmitted to epartment of ransport within 3 orking days after he end of each week	ubmitted to epartment of ransport within 3 orking days after he end of each eek	egistration ubmitted to epartment of ransport within 3 orking days fter the end of ach week	[redacted]			
	To prepare a realistic budget in line with the objectives and strategies in the IDP based on a three-year Medium-Term Revenue and Expenditure Framework (MTREF)	Coordinate and develop Amahlathi municipality's budget in line developmental imperatives in the IDP	2024/2025 budget prepared and submitted to council for approval on by 31st May each year	2025/2026 budget prepared and submitted to council for approval by 31st May 2025	Target met 22024/2025 budget prepared and submitted to council for approval on the 23rd May 2024	[redacted]	N/A	Chief Financia l Officer	**2,6,1**

11. 3 KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (WEIGHT – 15)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
Output 5: Deepen democracy through a refined ward committee model.	To strengthen democracy through improved public participation.	Public Participation Action Plan	No. of reports analyzing public participation trends	4 reports analyzing public participation trends	Target met 100% Implementation of Public Participation achieved.	Target met 4 reports analyzing public participation trends achieved	N/A	Municipal Manager	3,1,1
			% Increase on social media following by the end of the financial year	10% Increase on social media following by the end of the financial year	New Indicator	Target met 10% Increase on social media following by the end of the financial year	N/A	Municipal Manager	3,1,2
		Implementation of Public Participation Policies	No. of quarterly petition Management status reports submitted to Council	4 Quarterly reports on the status of petitions received and submitted to Council	Target met 4 Quarterly reports on the status of petitions received and submitted to Council	Target met 4 Quarterly reports on the status of petitions received and submitted to Council	N/A	Municipal Manager	3,1,3
	To capacitate Satellite offices as one stop shops for service delivery by 2027.	Ensuring Cluster Wide Comprehensive Development	No. of Ward Based Service Delivery Plans	5 Ward Based Service Delivery Plans Developed	New Indicator	Target met 5 Ward Based Service Delivery Plans Developed	N/A	Municipal Manager	3,2,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
	To regularly coordinate provision of a comprehensive and integrated package of services by all spheres of government.	Strengthening of IGR structures	No. of IGR meetings Convened	4 IGR meetings Convened	Target met 4 IGR meetings convened 13/09/2024, 05/12/2023, 13/03/2024, 19/.62024	Target met 4 IGR meetings Convened	N/A	Municipal Manager	3.3.1
	To ensure a clean administration by 2027	Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of risk management reports submitted by HODs to Internal Audit in preparation for Risk Committee Meeting	2 quarterly risk management reports submitted by HODs to Internal Audit in preparation for Risk Committee Meeting	Target met 4 quarterly risk management reports submitted by HODs to Internal Audit in preparation for Risk Committee Meeting	Target met 2 quarterly risk management reports submitted by HODs to Internal Audit in preparation for Risk Committee Meeting	N/A	All HODs	3,4,1
			No. of risk management reports reflecting a total of 80% implementation of risk management action plans (actions due and actions overdue) submitted to the Internal	2 Risk management reports reflecting a total of 80% implementation of risk management action plans (Actions due and Actions overdue) submitted to the Internal	Risk Management Policy, 4 quarterly risk meetings convened in 2023/24	Target not met 3 HODs reports reflected percentage less than 80% in Quarter 3 and other in Quarter 4	Corporate Services-80% {Threshold is not met due to delay in appointment of fleet services provider as the tender is already closed waited for sitting of BAC.}	All HODs	3,4,2

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
			Audit unit by HOD's in preparation for risk management committee meeting	Audit unit by HOD's in preparation for risk management committee meeting			Engineering { (Roads master plan could not be developed due to budget limitations; Engineering organogram review session was postponed due other municipal commitments; policy review was also postponed to April due to other municipal programs.)		
			Number of Risk committee meetings and 1 Strategic, operational and fraud risks assessments Co-ordinated 2024	4 Risk committee meetings and 1 Strategic, operational and fraud risks assessments Co-ordinated 2024/25	Target met 92.31% implementation of the 2023/2024 risk-based internal audit plan	[illegible]	N/A	Municipal Manager	3,4,3

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
			Number of Business Continuity plans developed during 2024/25 Financial year	1 Business continuity plan developed during 2024/25 Financial year	0	TARGET REMOVED	Target removed due to financial constraints	Municipal Manager	3,4,4
			Number of risks based internal audit assignments conducted in 2024/25 financial year	8 risk based internal audit assignments conducted in 2024/25 financial year	Target met 92.31% implementation of the 2023/2024 risk-based internal audit plan	Target not met	In ability to recover lost hours due to strike by employees leading to delayed submission of information to internal audit unit. The outstanding audits have been rolled forward to quarter 1 of 2025/26 financial year.	Municipal Manager	3,4,5
			Number of compliances based internal audit assignments conducted in	2 compliance risk based internal audit assignments conducted in	4 compliance risk based internal audit assignments conducted in	Target met 2 compliance risk based internal audit assignments conducted in	N/A	Municipal Manager	3,4,6

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
			2024/25 financial year	2024/25 financial year	2023/24 financial year	[illegible]			
			Number of Institution-wide compliance registers developed in Amahlathi Local Municipality	1 Consolidated institutional compliance register submitted to Risk Management Committee for consideration	100% Implementation of compliance plan in 2022/23	[illegible]	N/A	Municipal Manager	3,4,7
			Number of follow up audit reports on implementation of AGSA Audit Action Plan and Internal Audit Follow up	3 follow up audit reports on implementation of AGSA Audit Action Plan and Internal Audit Follow up	3 follow up audit reports on implementation of AGSA Audit Action Plan and Internal Audit Follow up in 2023/24	[illegible]	N/A	Municipal Manager	3,4,8
			Number of internal audit quality assurance reviews conducted	1 Final Internal Audit Quality Assurance Review Report by 30 June 2025	0	Target not met Provincial Treasury has been requested to perform quality assurance	After Internal Audit follow up in May 2025, Provincial Treasury requested additional information.	Municipal Manager	3,4,9

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
						review of the internal audit function Information has been submitted and the review is in progress	This has since been submitted, therefore internal Audit is waiting for the results of the audit.		
			No. of Anti-corruption and Fraud programmes conducted per annum	2 Anti-corruption and Fraud programmes conducted by 30 June 2025	Target met 2 Anti-corruption and Fraud programmes conducted per annum	Target met 2 Anti-corruption and Fraud programmes conducted by 30 June 2025	N/A	Municipal Manager	3,4,10
			No. of audit committee meetings convened	4 audit committee meetings convened by 30 June 2025	Target met 4 audit committee meetings convened	Target met 4 audit committee meetings convened by 30 June 2025	N/A	Municipal Manager	3,4,11
	Ensure effective & efficient resolution of legal matters	Develop of compliance register and compliance plan	No. of reports on Implementation of developed governance compliance plan submitted to Risk Committee Meeting	4 reports on Implementation of developed governance compliance plan submitted to Risk Committee Meeting	Target not met	Target not met 1 report on Implementation of developed governance compliance plan submitted to Risk Committee Meeting	The 2nd quarter report was not prepared and submitted as the manager was on sick leave. Target revised during mid-year due	Municipal Manager	3,5,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
							to poor performance and register that had to be reviewed and target was assigned to Internal Audit		
		Develop litigation management Strategy	No. of reports on legal matters and their status with financial implications submitted to council	4 reports on legal matters and their status with financial implications and legal opinion presented to Council	Target met 4 reports on legal matters and their status with financial implications and legal opinion	Target not met 3 reports on legal matters and their status with financial implications and legal opinion presented to Council	The 2nd quarter report was not prepared and submitted as the manager was on sick leave. The municipality needs to appoint someone or intern to assist in the office when the manager is on leave.	Municipal Manager	3,5,2
	To ensure quality life through integrated welfare services for the children, women, youth, elderly, people with	Development and Implementation of Strategy on Special Programs	No. of SPU Forums Established, Supported and Capacitated	7 SPU Forums Established and Capacitated	Target met 100% implementation of special programs action plan	Target not met 6 SPU Forums Established and s Capacitated	Women forum was not resuscitated due availability of budget required by the Women	Municipal Manager	3,6,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
	disability, HIV and AIDS by 2027						Caucus to organize the reviewal of the target group. New mechanism that will not require financial support will be implemented in 2025/26 financial year.		
	To ensure proactive and effective communication	Building and positioning well the municipality brand	No. of newsletters developed and published on website and municipal Facebook page	4 quarterly newsletters developed and published on website and municipal Facebook page	Target met 100% implementation of Communications Program of Action	[illegible]	N/A	Municipal Manager	3,7,1
	Strengthening Amahlathi ICT systems and networks for future generations by 2027	Improvement of ICT infrastructure for efficiency and data recovery	No of reports on the implementation of ICT infrastructure and Data Recovery	4 reports on the implementation of ICT infrastructure and Data Recovery	Target met 89.83% of information for municipal users back upped	[illegible]	N/A	Director Corporate Services	3,8,1
	To ensure compliant, effective and efficient	Modernize the telephone system for	Turnaround time to attend to logged	3 working hours to attend to	Target met 1:12 min to attend to	[illegible]	N/A	Director Corporate Services	3,9,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
	customer management by 2027.	customer care and productivity improvement	faults by users	logged faults users	logged faults users	[redacted]			
		Implementation and monitoring of controls to ensure security of information and business continuity	No. of reports on ICT systems implemented with itemized usage and expenditure reports submitted to standing committee	4 reports on ICT systems implemented with itemized usage and expenditure reports submitted to standing committee	Target met 7 Sourced and costed ICT system projects (1.Cibecs & Server Hosting submitted)	[redacted]	N/A	Director Corporate Services	3,9,2
		Provide on-going support to users on system related queries	% of reported system related queries resolved	95% of reported system related queries resolved	Target met	[redacted]	N/A	Chief Financial Officer	3,9,3
	To ensure business continuity in the event of a disaster by 2022 and beyond	Implementation and monitoring of controls to ensure security of information and business continuity	Daily backups done on Financial system, Payroll and HR system	Daily backups done on Financial system, Payroll and HR system	Report on Daily backups cannot be verifiable if performed from the 01st may until the 12th May 2024.	[redacted]	N/A	Chief Financial Officer	3,10,1

11. 4 KPA 4: LOCAL ECONOMIC DEVELOPMENT (LED) – (Weight – 15)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25s	Comment and Corrective Action	Custodian	KPI NO
Output No 3: Implementation of Community Work Programmes	To improve implementation of the government intervention program to eliminate poverty by 2027	Implementation of the EPWP and municipal job creation program especially linked to areas of scarce skills and temporal local jobs created during the roll out of capital projects	No. of temporal work Opportunities created	357 Work Opportunities created	Target met 405 temporal work Opportunities created	[redacted]	N/A	Director: Engineering Services	4.1.1
		Subcontracting of the work to SMMEs residing at Amahlathi LM during the roll out of Capital Projects	No. of Sub-contract agreements signed by the main contractor and sub-contractor	4 Sub-contract agreements signed by the main contractor and sub-contractor	Target met Sub-contract agreements signed by the main contractor and sub-contractor as follows	[redacted]	N/A	Director Engineering g g Services	4.1.2

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25s	Comment and Corrective Action	Custodian	KPI NO
	To ensure holistic and economic growth and development by 2027	Support and development of SMMEs around Amahlathi Local Municipality.	% of Amahlathi procurement expenditure should benefit SMMEs	30% of Amahlathi procurement expenditure should benefit SMMEs (Average % of the 4 quarters)	Target met 31% of Amahlathi procurement expenditure benefitted by SMMEs	Target met [illegible] of Amahlathi procurement expenditure benefitted by SMMEs	N/A	Chief Financial Officer	4,2,1
			No of SMMEs supported to access government Support Programs	50 SMMEs supported to access government Support Programs	Target met 152 SMMEs supported through various Programmes	[illegible] SMMEs supported to access government Support Programs	N/A	Director: Development and Planning	4.2.2
			No. of businesses issued with new trading permits	50 businesses issued with new trading permits	Target not met 16.4% of business with trading permits	Target met [illegible] businesses issued with new trading permits	N/A	Director: Development and Planning	4,2,3
			No of businesses that renewed their trading permits	72 businesses renewed their trading permits	New target	Target not met 48 businesses renewed their permits. Variance report attached	Constant change business ownership. Lack of law enforcement Officers to ensure businesses compliance	Director: Development and Planning	4,2,4

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25s	Comment and Corrective Action	Custodian	KPI NO
							Municipal fleet challenges. Existence of Law enforcement officers to assist with compliance. To be implemented in the next financial year 2025/2026		
			No. of recycling initiatives undertaken	02 recycling initiatives undertaken	Target met 08 Recycling initiatives conducted.	Target met [illegible] recycling initiatives undertaken	N/A	Director: Community Services	4,2,5
		Strengthen relationship with other Strategic Partners	No. of reports on implementation of signed twinning agreements with strategic institutions	4 reports on implementation of signed twinning agreements with strategic institutions	Target met 4 reports on implementation of signed twinning agreements with strategic institutions	Target met [illegible] reports on implementation of signed twinning agreements with strategic institutions	N/A	Director: Development and Planning	4.2.6
	Promotion of Tourism through identification of Tourist arrears.	Finalize the tourism Infrastructure Improvement Process Plan	No. of tourist attractions promoted	8 tourist attractions promoted	Target not met 6 tourist attractions promoted	Target met [illegible] tourist attractions promoted	N/A	Director: Development and Planning	4.3.1
			No. of trainings	3 support interventions	Target met	Target met	N/A	Director: Developm	4.3.2

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25s	Comment and Corrective Action	Custodian	KPI NO
			conducted for both LTOs and CTOs combined	for both LTOs and CTOs combined	4 Support interventions for LTOs and CTOs Training	[redacted]		ent and Planning	
	To Stimulate local economy through Agricultural development by 2022	Provision of capacity building programs to support existing farmers	No. of farmers supported with capacity building	40 farmers to be supported with capacity building	83 Target met farmers supported with capacity building,	[redacted]	N/A	Director: Development and Planning	4.4.1
	To ensure value-maximization of the forestry natural resource in line with local economic development by 2027.	Implementation of a forestry strategy in a Co-ordinated manner	Number of capacity building activities provided for timber cooperatives	6 capacity building activities provided for timber cooperatives	Target met 6 support interventions on timber cooperatives,	[redacted]	N/A	Director: Development and Planning	4.5.1
	To ensure development of the economic infrastructure required to enable increased	Source funding for a catalytic project	No. of quarterly reports submitted on implementation of	4 quarterly reports on progress in implementation of catalytic projects	Target met 4 Funding applications submitted,	[redacted]	N/A	Director: Development and Planning	4.6.1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25s	Comment and Corrective Action	Custodian	KPI NO
	economic growth		catalytic projects						
	To building resilient smart towns	Marketing the Master & Precinct Plans for the 4 towns	No. of Business Breakfast Coordinated	1 Business Breakfast Coordinated	Target met 2 Econ Target met 2 Economic Development Program Implemented omic Development Program Implemented.	Target met 1 Business Breakfast held on the [illegible] September 2024 with the [illegible]	N/A	Municipal Manager	4,7,1

11. 5 KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT – MTI (Weight – 15)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
Output 1: Implement and differentiate approach to Municipal Finance, Planning and support	To attract, retain, build capacity, and maximize utilization of Amahlathi Human Capital by 2022 and beyond	Implementation of the approved organizational structure.	No of Implemented Re-Engineered and Council Approved organogram Action Plan Items	4 implemented Re-Engineered and Council Approved organogram Action Plan Items	Target met 323 Job Descriptions of completed 173 Job descriptions were completed during 3rd quarter and 150 completed Job Descriptions in quarter 4 which makes 323 Job description completed as planned (161 Q3 and 161 Q4)	Target not met Amahlathi Job Descriptions were submitted to District Job Evaluation Committee, however due to unavailability of the grading system they could not go through to Provincial Grading Committee for confirmation	Contract of grading system expired and there is establishment of job catalogue. The distribution of Job Catalogue to municipalities is anticipated to commence by 01 August 2025.	Director: Corporate Services	**5.1.1**
			No of implemented programmes per Human Resource Strategy implementation plans	4 implemented programmes per Human Resource Strategy implementation plans (Recruitment Plan; Institutional & HR Policies and	Target met 4 implemented programmes per Human Resource Strategy implementation plans 1.Training of policies-KKH	[illegible]	N/A	Director: Corporate Services	**5.1.2**

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
				Employee Verification)	SATELLITE OFFICE(30-05-2024)	[redacted]			
		Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of EAP programmes implemented as per approved plan	4 EAP programmes implemented per approved plan.	Target met 4 EAP programmes implemented per approved plan	[redacted]	N/A	Director: Corporate Services	5.1.3
			No. of reports on health and productivity of the municipality	4 Reports on health and productivity of the municipality	Target met 4 Reports on health and productivity of the municipality	[redacted]	N/A	Director: Corporate Services	5.1.4
			Number of programs implemented to improve staff morale	1 program implemented to improve staff morale	New Indicator	[redacted]	N/A	Municipal Manager	5.1.5
		Implementation of the approved EEP	No. of quarterly reports prepared on compliance with EEP annual targets	4 quarterly reports prepared on compliance with EEP annual targets	Target met 4 quarterly reports prepared on compliance with EEP annual targets	[redacted]	N/A	Director: Corporate Services	5.1.6

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
	Promote sound Labor Relations for a conducive work environment through education and legislative compliance	Local Labor Form (LLF) meetings and Labor Relations information sessions held	No of LLF meetings	4 LLF meetings	Target met 5 LLF meetings held as follows	Target met 4 LLF meetings held	N/A	Director: Corporate Services	5.2.1
			No of LR information sessions / training held	4 LR information sessions / training held	Target met 4 LR information sessions / training held as follows;	Target met 4 LR information sessions / training held	N/A	Director: Corporate Services	5.2.2
		Develop and implement a blended learning and development programme strategy	No of trainings organized for employees	8 trainings organized for employees	Target met 13 trainings organized for employees	Target met 13 trainings organized for employees	N/A	Director: Corporate Services	5.2.3
	Efficient and economical utilization of council resources	Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of reports on implementation of fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet	4 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	Target met 4 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	Target not met 3 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	There were no vehicles to be booked. The full implementation will be applied upon availability of fleet to be booked at end of Q1.	Director: Corporate Services	5.3.1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
			management committee						
	To ensure compliant and prudent safeguarding and preservation of institutional memory by 2027	Establishment of legal frameworks, standards, and ethical principles to protect the confidentiality of data	No. of implemented projects on the file plan for all active and archived documents	4 implemented projects with file plan for active and archived documents	Target met 4 Project implemented on the file plan	Target met 4 Project implemented on the file plan	N/A	Director: Corporate Services	5.4.1
	To optimize and improve data security by 2027	Implementation of digital Transformation Strategy	No of reports on the implementation of the Digital Transformation Strategy	4 reports on the Implemented Digital Transformation Strategy	Target not met Could not determine % utilization of domain emails by Staff from the information submitted	Target met 4 reports on the implemented Digital Transformation Strategy	N/A	Director: Corporate Services	5.5.1
			No. of implemented internet projects in all municipal office buildings	2 implemented internet projects in municipal office buildings.	Target met 2 Implemented Internet projects in all Municipal Office	Target met Reports on 2 implemented internet projects [illegible]	N/A	Director: Corporate Services	5.5.2
	To ensure adequate and improved working environment	Upgrading of offices	% progress achieved on the Construction of Amahlathi	30% progress achieved on the Construction of Amahlathi	Design Completed (New Target)	Target not met 20% progress achieved on the Construction of	Slow progress by contractor Contractor has submitted a turnaround	Director: Engineering Services	5,6,1

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2024/25	Annual Actual 2023/24	Annual Actual 2024/25	Comment and Corrective Action	Custodian	KPI NO
			Municipal offices in Stutterheim	Municipal offices in Stutterheim		Amahlathi Municipal offices in Stutterheim	plan that will be closely monitored by consultant and the client		
	To develop and implement effective and compliant frameworks to improve planning and performance management by 2022 and beyond	Promote accountability whilst creating high performance throughout the organization	No of progress reports on Implementation of approved IDP/Budget/PMS process plan submitted to Standing committee	2 progress reports on Implementation of approved IDP/Budget/ PMS process plan submitted to Standing committee	Monitoring implementation of approved IDP/Budget/PMS process plan.	Target met 2 progress reports on implementation of approved IDP/Budget/ PMS process plan submitted to Standing committee	N/A	Municipal Manager	5,7,1

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION

According to the Amahlathi Local Municipality organisational structure, the Municipality have six (6) section 56 managers who are signing performance agreements and submitted to the Department of Local Government and Traditional Affairs within the required time frames.

The 6 section 56 managers lead the following departments:

DEPARTMENT	FILLED/NOT FILLED
Municipal Managers Office	Filled
Budget and Treasury Office	Filled
Development and Town Planning	Filled
Engineering Services	Filled
Community Services	Filled
Corporate Services	Filled

Full time staff complement per functional area

Employees				
	Employees	2023/2024	Current year 2024/25	Total No
	No.			Employees
Corporate Services	29	32	24	24
Development and Planning	16	13	11	11
Engineering Department	63	75	69	69
Community Services	99	85	90	90
Executive Services	29	20	27	27
BTO	30	32	31	31
Totals	**266**	**257**	**252**	**252**

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.

Vacancy Rate: Year 2024/25			
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)	4	0	0%
Senior Manager Levels 17-19	1	0	0%
Highly skilled supervision levels 12-16	38	2	0.87%
Skilled Technical & Academically Qualified Workers, Junior Management 9-11	42	0	14%
Total	87	2	4,3%
Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 252 to give the number of posts equivalent to the accumulated days.			

TERMINATION REPORT AS AT 30 JUNE 2025

DEPARTMENT	RESIGNED	CONTRACT EXPIRED	RETIREMENT	DISMISSAL	DEATH	MEDICAL BOARD	TOTAL
ENGINEERING	2	0	0	1	0	0	
CORPORATE SERVICES	1	0	0	0	0	0	1
COMMUNITY SERVICES	1	0	2	0	0	0	3
BUDGET AND TREASURY	0	0	0	0	1	0	1
PLANNING & DEVELOPMENT	0	0	0	0	0	0	0
EXECUTIVE SERVICES OFFICE	1	0	0	0	0	0	1
TOTAL	**5**	**0**	**2**	**1**	**1**	**0**	**9**
Note: *The Municipality had a total of 252 employees in the 2024/25 financial year and nine (9) exited due to resignations, death and retirements. One employee was dismissed. The average South African benchmark for employee attrition is 10% and the municipality was able to contain its attrition rate to (9/252) 3.571%.							

COMMENT ON VACANCIES AND TURNOVER:

The table above shows that the Corporate Services Department lost one (1) employee who was a driver to the speaker, two (2) General Worker Engineering and one (1) dismissal of the Manager Roads and Storm Water which is the highest position in the department. Three (3) General workers from Community Services and BTO office lost one (1) employee through death. One (1) Resignation from Executive Services.

This shows that ALM has no big problem of labour turnover, as Nine (9) employees left the institution.

4.2 MANAGING THE MUNICIPAL WORKFORCE

Municipal Systems Act 2000 s 67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient and transparent personnel administration in accordance with the Employment Equity Act. The Amahlathi Local Municipality has the policy process plan in place that is followed prior adoption of the institutional policies, policies are workshopped and adopted by the council on 30 June 2025. Below is the policy process plan for the institution:

PROCESS PLAN FOR ALL INSTITUTIONAL POLICIES TO BE REVIEWED / DEVELOPED 2024/2025 FINANCIAL YEAR				
	ACTION REQUIRED	**PERSON REPONSIBLE**	**TIME FRAME**	**COMMENTS/STATUS**
Development/ reviewal of institutional policies	Directorates will discuss their policies, identify areas that need to be reviewed. Develop new policies that are required by the municipality	All HOD'S	10 February 2025	This involves the analysis of the current policies to identify weaknesses and gaps
	Submission of all policies by departments to Corporate Services	All HOD'S	10 February 2025	Submission to Corporate Services after an extensive interaction to ensure joint workforce planning
	Policy workshop by the established policy development committee to engage on extensive interaction by all departments in preparation for the Institutional Policy Workshop	Municipal Manager, All Directors, All Managers and Supervisors	12 & 13 February 2025	Engagements with various departments
	Institutional Policy Workshop	ALL HOD'S	29 & 30 April 2025	Scrutinizing and cleaning up of all draft policies for submission to Council.
	Submission to Corporate Services Standing Committee	Director: Corporate Services	06 May 2025	Submission to Standing Committee
	SPECIAL LLF Consultation with Corporate Services Department	Corporate Services	27 May 2025	This involves the analysis of the Corporate Services Policies to identify weaknesses and gaps
	Submission of Policies to Council for adoption	Director Corporate Services	29 May 2025	Submission of policies to the Council

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed .	Date adopted by council or comment on failure to adopt
1	Code of conduct for councillors	100	June 2022	29 June 2025
2	Council Rules of order	100	June 2022	29 June 2025
3	Delegations of Authority	100		29 June 2025
4	Expanded Public Works Programme Policy	100		29 June 2025
5	Petitions Policy	100	June 2022	29 June 2025
6	Code of conduct for ward committees	100	June 2022	29 June 2025
7	Career Management policy	100	June 2022	29 June 2025
8	Experiential training policy	100	June 2022	29 June 2025
9	Scarce Skills Policy	100	June 2022	29 June 2025
10	Employee study assistance policy	100	June 2022	29 June 2025
11	Training and development policy	100	June 2022	29 June 2025
12	Acting allowance policy	100	June 2022	29 June 2025
13	Bereavement Policy	100	June 2022	29 June 2025
14	Leave Policy	100	June 2022	29 June 2025
15	Policy on policy development	100	June 2022	29 June 2025
16	Fleet management Policy	100	June 2022	29 June 2025
17	Subsistence and Travelling Policy	100	June 2022	29 June 2025
18	Official transport to attend Funerals (Bereavement Policy)	100	June 2022	29 June 2025
19	Job Evaluation review policy	100	June 2022	29 June 2025
20	Occupational health and safety policy	100	June 2022	29 June 2025
21	Overtime and shift allowance policy	100	June 2022	29 June 2025
22	Performance Management and Development	100	June 2022	29 June 2025
23	Recruitment and Selection policy	100	June 2022	29 June 2025
24	Code of conduct for staff members	100	June 2022	29 June 2025
25	Long Service Allowance Policy	100	June 2022	29 June 2025
26	Code of conduct for councillors	100	June 2022	29 June 2025

27	Grievance procedure	100	June 2022	29 June 2025
28	Skills Development policy	100	June 2022	29 June 2025
29	Staff retention policy	100	June 2022	29 June 2025
30.	Telephone usage and cellular allowance phone	100	June 2022	29 June 2025
31.	Records Management Policy	100	June 2022	29 June 2025
32.	Uniforms and Protective Clothing (Health and Safety Policy)	100	June 2022	29 June 2025
32.	Placement Policy	100	June 2022	29 June 2025
33.	Covid 19 Management Policy	100	June 2022	29 June 2025
Use name of local policies if different from above and at any other HR policies not listed.				T 4.2.1

4.3 SICK LEAVE

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	0	0	0%	0	0
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
Total	**0**	**0**	**0**	**0**	**0**
The claim was lodged with department of Labour and there was no compensation as there was no permanent or temporary disablement. T 4.3.1					

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 %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled /Unskilled (Levels 2-5)	114	8.6%	19	71	11.2	R40 512.03
Semi-Skilled (Levels 6-11)	290	59%	44	101	11.8	R155 102.30
Highly skilled production (levels 12-19)	351	24%	33	79	7.1	R111 433.46
Interns	72	0.1%	5	5	0.2	R 9 550.20
Other (task grade pending)	0	0%	0	0	0	R0.00
MM and S57	21	0%	2	5	1.1	R15 500.30
Total	**848**	**91.7%**	**103**	**261**	**31.4**	**R 332 098.29**
261 Number of employees in post at the beginning of the year including Interns						T 4.3.2

Number and Period of Suspensions				
	Department	**Position**	**Nature of Alleged Misconduct**	**Date of Suspension**
1	Community Services	Snr Traffic Officer	Fraud	2024/04/03
2	Community Services	Senior Enquiries Clerk	Fraud	2024/04/03
3	Community Services	General Worker/Roads	Fraud	2024/04/03
4	Community Services	Enq Clerk Prot Serv.	Fraud	2024/05/17
5	Community Services	Cashier	Fraud	2024/10/08
6	BTO	Revenue Manager	Illegal Strike	2024/10/16
7	Corporate Services	Cleaner Messanger/LED	Illegal Strike	2024/10/16
8	Community Services	General Worker/Community	Illegal Strike	2024/10/16
9	Engineering Services	General Worker/Eng	Illegal Strike	2024/10/16
10	Corporate Services	Cleaner Messanger/Comm	Illegal Strike	2024/10/16
11	Corporate Services	Cleaner Messanger/Comm	Illegal Strike	2024/10/16
12	Community Services	Librarian	Illegal Strike	2024/10/16
13	Community Services	Senior DTLC Clerk	Insolent behaviour	2025/02/07
14	LED	Senior Manager	Isolent Behavior	2025/02/07
15	Corporate Services	Conditions of Service	Fraud	2025/04/07

16	BTO	Payroll	Fraud	2025/04/07
17	BTO	Payroll	Fraud	2025/04/10
18	BTO	Free Basic	Fraud	2025/04/10
19	BTO	Bank Recon.	Fraud	2025/04/10

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
Traffic officer	Fraud	03/04/2024	Pending
Enquiries Clerk	Fraud	03/04/2024	Pending
Enquiries Clerk	Fraud	03/04/2024	Pending
Cashier	Fraud	08/10/2024	Pending
BTO Payroll	Fraud	07/04/2025	Pending
BTO Payroll	Fraud	10/04/2025	Pending
BTO Free basic	Fraud	10/04/2025	Pending
Conditions of services	Fraud	07/04/2025	Pending
			T 4.3.6

4.4 CAPACITATING THE MUNIPAL WORKFORCE - SKILLS DEVELOPMENT AND TRAINING

SKILLS DEVELOPMENT MATRIX

Skills Matrix													
Employees in post as at 30 June Year 2025													
Management Level	Gender		Learnershi p			Skills programmes & other short courses							
		No.	Actual: End of Year 2025	Actual: End of Year 2025	Year 2025 Target	Actual: End of Year 2025	Managemen t	Gende r	No.	Actual: End of Year 2025	Actual: End of Year 2025	Year 2025 Target	Actual: End of Year 2025
MM and s56	Female	0	3	0	0	0	MM and s56			1		1	1
	Male	0	0	0	0	0				0		0	0
Councillors, senior officials and managers	Female	0	5	0	0	0	Councillors, senior officials and managers			14		14	14
	Male	0	5	0	0	0				18		18	18

Technicians and associate professionals*	Female	0	0	0	0	0	Technicians and associate professionals*			0	0	0	0
	Male	0	1	0	0	0				1		1	1
Professionals	Female	0	0	0	0	0	Professionals			3		3	3
	Male	0	1	0	0	0				2		2	2
Semi-Skilled and Unskilled	Female	0	12	0	0	0	Semi-Skilled and Unskilled			9		9	9
	Male	0	9	0	0	0				4		4	4
Sub total	Female	0	20	0	0	0	Sub total			27		27	27

	Male	0	15	0	0	0				25		25	25
Total		0	35	0	0	0				52	52	52	52

*Registered with professional Associate Body e.g. CA (SA)

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	0	0	0	0	0	0
Chief financial officer	0	0	0	0	0	0
Senior managers	0	0	0	0	0	0
Any other financial officials	0	0	0	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	0	0	0	1	1	1
TOTAL	0	0	0	1	1	1

** This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)*

T 4.5.2

4.5 MANAGING THE WORKFORCE EXPENDITURE

Designation	Wages and benefits 2024/25	Wages and benefits 2025/26
Municipal Manager	R 1 527 034	R 1 582 334
Corporate Services Manager	R 1 307 865	R 1 300 184
Planning and Development Manager	R 1 233 017	R 1 300 184
Engineering Services Manager	R 1 228 183	R 1 300 184
Community Services Manager	R 1 203 136	R 1 300 184
Finance Manager (CFO)	R 350 911	R 1 038 188

EMPLOYEE RELATED COSTS	2024/25	2025/26
Basic	93 124 702	87 681 708
Bonus	6 155 952	6 478 209
Medical aid contributions	4 897 665	6 098 663
UIF	595 678	515 955
Cellphone and other allowances	2 305 974	1 085 629
Overtime payments	1 621 769	1 387 068
Acting allowance	224 733	666 978
Travel allowance	5 494 679	4 532 502
Housing benefit and allowances	2 522 375	2 429 783
Industrial Council Levy	35 811	35 593
Employee benefits and contribution plans	595 678	514 955
Pension fund contributions by Council	15 466 466	13 601 869

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels9-12)	Female	0
	Male	0
Senior management (Levels13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
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 column (as illustrated above).		*T 4.6.2*

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	0	0 0	0	N/A
				T 4.6.3

Employees appointed to posts not approved				
Department	Level	Date of appoinment	No. appointed	Reason for appointment when no established post exist
N/A	N/A	N/A	0	N/A
				T 4.6.4

CHAPTER 5: FINANCIAL PERFORMANCE

5.1 INTRODUCTION

This chapter contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

Reconciliation of Table A1 Budget Summary															
Description	Year 2024/25											Year -2023/24			
R thousands	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates	26 745 685	–	26 745 686	–		26 745 686	22 003 286		-18%	82%	82%				24 168 893
Service charges	62 934 831	18 702 931	81 637 762	–		81 637 762	80 667 375		-1%	99%	119%				62 808 380
Investment revenue	3 892 102	–	3 892 102	–		3 892 102	3 420 580		-26%	74%	74%				3 455 509
Transfers recognised – operational	145 504 900	780 000	146 284 900	–		146 284 900	146 341 300		1%	100%	101%				146 341 300
Other own revenue	27 094 869	26 399 651	53 494 520	–		53 494 520	54 641 728		16%	116%	116%				

														30 410 055
Total Revenue (excluding capital transfers and contributions)	**266 172 387**	**45 882 582**	**312 054 970**	–	–	**312 054 970**	**277 715 199**		**-1%**	**99%**	**104%**			**267 184 137**
Employee costs	141 493 420	- 9 972 883	131 520 537	–		131 520 537	124 980 464		-5%	95%	89%	–	–	–	136 206 071
Remuneration of councillors	15 030 680	–	15 030 680	–		15 030 680	14 005 898		7%	93%	93%	–	–	–	13 595 241
Debt impairment	26 000 000	–	26 000 000			26 000 000	28 601 670		8%	92%	92%	–	–	–	25 872 214
Depreciation & asset impairment	24 185 885	–	24 185 885			24 185 885	30 528 899	- 4 561 366	-7%	119%	119%	- 4 561 366	–	–	24 778 718
Finance charges	3 000 000	- 500 000	2 500 000	–		2 500 000	7 068 822		19%	81%	68%	–	–	–	15 523 956
Materials and Bulk	57 964 760	–	57 964 760	–	–	57 964 760	59 229 954	-1 265 194	2%	102%	102%	-1 265 194	–	–	51 809 374
Transfers and grants	-	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	40 902 349	197 581	41 099 930		2	41 099 930	52 875 392	–	-14%	86%	87%				39 566 177
Total Expenditure	**308 577 094**	**-10 275 302**	**298 301 792**	–	–	**298 301 792**	**317 291 099**	**-5 826 560**	**-3%**	**97%**	**93%**	**-5 826 560**			**306 742 073**
Surplus/(Deficit)	**- 42 404 707**	**56 157 884**	**13 572 179**			**13 572 179**	**-10 216 830**								**-40 167 614**
Transfers recognised - capital	59 537 850	19 554 001	79 091 851			79 091 851	77 507 219		-2%	98%	130%				46 078 107

Contributions recognised - capital & contributed assets			–			–									
Surplus/(Deficit) after capital transfers & contributions	**17 133 143**	**75 711 885**	**92 844 030**	–	–	**92 844 030**	**67 290 389**	-	**11%**	**111 %**	**387 %**				**5 910 493**
Loss on disposal of assets	-	**-1 000**	**-1 000**			**-1 000**	**-1 705 302**								-453 804
Fair value gain on biological assets															-1 743 607 –
Loss on disposal of biological assets			–			–									–
Surplus/(Deficit) for the year	**17 133 143**	**42 856 613**	**59 989 756**	–		**59 989 756**	**64 635 482**								**3 713 082**
Capital expenditure & funds sources															
Capital expenditure	**62 147 850**	**24 198 502**	**86 346 352**	–		**86 346 352**	**73 580 677**		**-15%**	**85 %**	**118 %**				**47 937 088**
Transfers recognised - capital	59 537 850	20 154 001	79 691 851			79 091 851	77 507 219		-2%	98%	130%				50 956 366
Public contributions & donations															–
Borrowing	–		–												–
Internally generated funds	2 610 000	4 044 500	6 654 500			6 654 500	5 543 570		17%	83%	212%				8 785 011
Total sources of capital funds	**62 147 850**	**24 198 501**	**86 346 352**		–	**85 746 351**	**83 050 789**	–	**-330%**	**107%**	**90%**	–	–	–	**59 741 377**
Cash flows															

Net cash from (used) operating	75 884 011	28 884 914	104 768 925			104 768 924	57 810 810		-3%	97%	122%				57 942 083
Net cash from (used) investing	(71 240 028)	(15 106 32 4)	(86 346 3 52)			(86 346 3 52)	(68 006 352)		-15%	87%	90%				50 310 960
Net cash from (used) financing	-	–	–			–	(230 575)								288 495
Cash/cash equivalents at the year end	**21 091 550**	**13 033 489**	**34 125 039**			**34 125 039**	**12 554 267**		**- 30%**	**70 %**	**70 %**				**22 980 213**

T 5.1.1

Notes

3 = sum of column 1 and 2

2 represents movements in original budget to get to final adjustments budget (including shifting of funds)

Virements must offset each other so that virements in Total Expenditure equals zero

6 = sum of column 3, 4 and 5

8 does not necessarily equal the difference between 9 and 8 because overspending is not the only reason for unauthorised expenditure

9 = 7 - 6

10 = (7/6)*100

11 = (9/1)*100

14 = 13 - 12

15 in revenue equals Audited Outcome plus funds actually recovered

15 in expenditure equals Audited Outcome less funds actually recovered

15 in Cash Flow equals Audited Outcome plus funds recovered

This schedule must be part of the financial statements of the municipality (all other schedules, A2 - A7, should form part of the annexures to the financial statements.
These schedules do not directly form part of the audit opinion)

Financial Performance of Operational Services R '000						
Description	Year -2023/24	Year 2024/25			Year 2024/25 Variance	
	Actual	Original Budget	Adj Budget	Actual	Original Budget	Adj Budget
Operating Cost						
Electricity	58 285 423	68 238 421	71 175 884	67 069 214	-2%	-6%
Waste Management	26 082 612	13 159 204	13 868 969	14 985 243	12%	7%
Housing	186 383	-	76 200	86 325	0%	12%
Component A: sub-total	**84 554 418**	**81 397 625**	**85 121 053**	**82 140 782**	**1%**	**-4%**
Roads	49 259 935	62 804 771	59 610 719	52 742 070	-19%	-13%
Component B: sub-total	**133 814 353**	**144 202 396**	**144 731 772**	**134 882 852**	**-7%**	**-7%**
Planning & Development	8 842 750	9 776 016	8 913 574	8 492 075	-15%	-5%
Component C: sub-total	**142 657 103**	**153 978 412**	**153 645 346**	**143 374 927**	**-7%**	**-7%**
Community & Social Services	11 234 554	10 868 132	10 537 459	11 004 741	1%	4%
Public Safety	4 232 256	3 780 379	2 764 702	2 633 107	-44%	-5%
Sport and Recreation	-	-	-	-	-	-
	158 123 913	**168 626 923**	**166 947 507**	**157 012 775**	**-7%**	**-6%**

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

During the year permanent employees was employed by the municipality in the Town planning, resulting in increased costs. This required the budget for housing to be increased during the adjustments budget. This was however not enough which resulted in the 12% variance. The reduction in variance percentage from Original Budget to Adjustments budget indicate management's ability to identify errors in estimates. This underlying assumptions will be implemented when preparing future budgets.

T 5.1.2

Grant Performance R' 000						
Description	Year -2023/24	Year 2024/25			Year 2024/25 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adj Budget (%)
Operating Transfers and Grants						
National Government:	**136 913 150**	**143 951 150**	**144 251 150**	**144 251 150**	100%	100 %
Equitable share	131 533 000	138 370 000	138 370 000	138 370 000	100%	100%
FMG Grant	2 200 000	2 200 000	2 200 000	2 200 000	100%	10%

EPWP Grant	1 310 000	1 211 000	1 511 000	1 511 000	125%	100%
PMU 5%	1 538 500	1 870 150	1 870 150	1 870 150	100%	100%
Disaster Relief Grant			–			
Provincial Government:	**1 311 149**	**1 854 000**	**1 854 000**	**1 841 400**	**100%**	**100 %**
		1 792 000	1 792 000	1 792 000		
		62 000	62 000	49 400		100%
Sports and Recreation	1 200 000				100%	
Human Settlements	111 149				80%	80%
District Municipality:	–	–	–	–	–	–
Other grant providers:	**249 785**	**398 750**	**398 750**	**398 750**	**100%**	**100 %**
Seta Grant	249 785	398 750	398 750	398 750	100%	100%
Total Operating Transfers and Grants	**138 412 335**	**146 203 900**	**146 503 900**	**146 341 301**	**100%**	**100 %**

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The Municipality received an additional R300,000 for EPWP, which resulted in the 25% from the original budget.
The Municipality employed a permanent employee in town planning during the year. This resulted in one of the interns paid for by the Department of Human Settlements were no longer required, which resulted in the 20% variance.

T 5.2.1

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	**Actual Grant Year -2023/24**	**Actual Grant Year 2023/24**	**Year 2023/24 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 – Sports and Recreation	1 200 000	1 792 000	-	N/A	N/A	Funding for Library
B – Human Settlements	111 149	49 400	-	N/A	N/A	Intern funded by the Department of Human Settlements

C – LG Seta	249 785	398 750	-	N/A	N/A	Mandatory Grant
Foreign Governments/Development Aid Agencies						
A - "Project 1"	-	-	-	N/A	N/A	N/A
Private Sector / Organisations						
A - "Project 1"	-	-	-	N/A	N/A	N/A
Provide a comprehensive response to this schedule						*T 5.2.3*

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

No grants were surrendered to the National Revenue Fund.

5.2. ASSET MANAGEMENT

The Amahlathi Local Municipality believes that an Asset Management Policy is essential to ensure effective and efficient utilization of public monies and accountability thereof is heavily dependent on accurate recoding and accounting with the compilation of the Asset Register that is GRAP compliant. The policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The prime objective of the policy is to ensure that the assets of Amahlathi Municipality are properly managed and accounted for by:-

- Ensuring the accurate recording of asset information
- The accurate recording of asset movements
- Exercising strict control over all assets
- Providing correct and meaningful management information
- Affecting adequate insurance of all assets
- Maintenance of Council's Assets

The policy is reviewed and amended by council annually during IDP and Budget process. The last review was done in May 2024.

An asset tracking system using bar-coded discs and scanners is implemented. The system allows for regular audits of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2023/24				
Asset 1				
Name	Paving of Xholorha Internal Roads			
Description	Construction and Surfacing of Roads			
Asset Type	Road Infrastructure			
Key Staff Involved	2			
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project			
				Year 2024/25
Asset Value				9 094 339.40
Capital Implications	Xholorha roads will be surfaced			
Future Purpose of Asset	To provide the community with at least a basic level of service			
Describe Key Issues	Project to be completed during the 2025/26 FY. No issues to report			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	Building			
Description	Construction of Municipal Offices			
Asset Type	Buildings			
Key Staff Involved	2			
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project			
				Year 2024/25
Asset Value				6 034 705.23
Capital Implications	Improved office space for administration and service delivery			
Future Purpose of Asset	To provide the community with at least a basic level of service			
Describe Key Issues	Additional funds required to complete project			

Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name	Regraveling Cenyu Village Internal Roads			
Description	Construction of Access Road and Storm Water Structure			
Asset Type	Roads Infrastructure			
Key Staff Involved	2			
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project			
Asset Value				**Year 2024/25**
				2 911 673.81
Capital Implications	Cenvyu roads were damaged by a disaster.			
Future Purpose of Asset	To provide the community with at least a basic level of service			
Describe Key Issues	Completed during the year. No issues to report			
Policies in Place to Manage Asset	Asset Management Policy, Roads Maintenance Policy			
				T 5.3.2

The projects listed above are Municipal Infrastructure Grant and Disaster Recovery Grant funded projects. With regards to the MIG funded projects. The Engineering Department develops a 3 year implementation plan, which is presented to Council. This implementation plan is linked to the projects per the IDP. With regards to the Disaster projects, these are projects to return municipal infrastructure assets to the state before the disaster occurred

Repair and Maintenance Expenditure: Year 2024/25				
				R' 000
	Original Budget	**Adjustment Budget**	**Actual**	**Budget variance**
Repairs and Maintenance Expenditure	3 765 000	2 902 800	2 676 675	23%
				T 5.3.4

Repairs and maintenance budgeted for are significantly less than required by Treasury guidelines of 8% of Property, plant and equipment. This is due to budget constraints and the large value of Property, plant and equipment due to conditional grant funded projects.

Financial Ratios

`FINANCIAL VIABILITY ASSESSMENT			
		As at 30 June 2025	As at 30 June 2024
Expenditure management			
1.1	Creditor-payment period	357,8 Days	726,6 Days
Revenue management			
2.1	Debt-collection period (after impairment)	225,1 days	240,35 Days
2.2	Debt-impairment provision as a percentage of accounts receivable	69%	71,4%
	· Amount of debt-impairment provision	R174 017 362	R142 731 001
	· Amount of accounts receivable	R250 494 960	R200 004 603
Asset and liability management			
3.1	A deficit for the year was realised (total expenditure exceeded total revenue)	No	No
	· Amount of the surplus / (deficit) for the year	R67 290 389	R7 691 186
3.2	A net current liability position was realised (total current liabilities exceeded total current assets)	Yes	Yes
	· Amount of the net current assets / (liability) position	R59 457 631	R128 617 309
3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	· Amount of the net asset / (liability) position	R331 394 491	R264 104 102
Cash management			
4.1	The year-end bank balance was in overdraft	No	No
	· Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft)	R12 554 267	R22 980 213
4.2	Net cash flows for the year from operating activities were negative	No	No
	· Amount of net cash in / (out)flows for the year from operating activities	R57 810 810	R52 115 801
4.3	Creditors as a percentage of cash and cash equivalents	1 299%	969%
	· Amount of creditors (accounts payable)	R163 049 478	R222 720 361
	· Amount of cash and cash equivalents / (bank overdraft) at year-end	R12 554 267	R22 980 213
4.4	Current liabilities as a percentage of next year's budgeted resources **	51%	68%
	· Amount of current liabilities	R163 049 478	R222 720 361
	· Amount of next year's budgeted income	R322 007 776	R325 710 233

The financial ratios per the above table are unfavourable. The ratios indicate that the municipality's financial is under pressure and action will have to be taken.

COMPONENT B: 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 and internally generated funds

Capital Expenditure - Funding Sources: Year -2023/24 to Year 2024/25							
							R' 000
Details		Year -2023/24	Year 2024/25				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adj to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans						
	Public contributions and donations						
	Grants and subsidies	46 078 107	59 537 850	79 091 851	77 507 219	32%	30%
	Other	8 785 011	2 610 000	6 654 500	5 543 570	155%	112%
Total		**54 863 122**	**62 147 850**	**85 746 351**	**83 050 789**	**34%**	**34%**
Percentage of finance							
	External loans	-	-	-			
	Public contributions and donations	-	-	-			
	Grants and subsidies	84%	96%	92%	93%	4%	3%
	Other	16%	4%	8%	7%	30%	31%
Capital expenditure							
	Waste Projects	-	560 000	560 000	430 387	0%	-23%
	MIG Projects	22 431 264	35 532 850	35 532 850	29 074 516	0%	-18%
	Other	28 525 102	18 055 000	42 060 652	44 075 774	133%	144%
Total		**50 956 366**	**54 147 850**	**78 153 502**	**73 580 677**	**44%**	**36%**
Percentage of expenditure							
	Electricity	15%	9%	8%	22%	1%	13%
	Roads	23%	60%	28%	25%	32%	35%
	Other	61%	31%	64%	53%	67%	52%
							T 5.6.1

The municipality is highly reliant on conditional grant funding to fund capital projects. During the 2024/25 financial year only 7% of the projects were funded by internally generated funds. The large variances between the amounts disclosed under sources of funding and the capital expenditure, is due to the sources of funding and capital expenditure budget are presented inclusive of VAT and the actual capital expenditure presented exclusive of VAT.

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 (%)
Paving of Xholorha Internal Roads	13 850 000	13 850 000	13 982 553	1%	1%
KKH Recreational Centre	4 600 000	5 243 000	5 455 372	19%	4%
Mlungisi Sportfield	5 400 000	5 400 000	5 059 006	-6%	-6%
Regraveling Cenyu Village Internal Roads	3 500 000	3 500 000	3 499 775	0%	0%
Regraveling of Phumlani Community	4 000 000	4 000 000	3 986 147	0%	0%
** Projects with the highest capital expenditure in Year 0*					

Name of Project - A	Paving of Xholorha Internal Roads
Objective of Project	Upgrade of internal road network of Xholorha from gravel to paving
Delays	Additional scope for storm water pipes which had not been anticipated had to be done due to unforeseen circumstances.
Future Challenges	The project has been completed so no future challenges have been anticipated.
Anticipated citizen benefits	The upgraded road will ensure ease of access within the township
Name of Project - B	KKH Recreational Centre
Objective of Project	To provide a meeting place for the community with a library for recreational purposes.
Delays	Unforeseen challenges and delays due to underground water
Future Challenges	Currently the project has no budget. A budget maintenance application is being prepared for additional budget
Anticipated citizen benefits	The Recreation Centre will provide a meeting place for the community. The centre will also provide a library for the community
Name of Project - C	Mlungisi Sportfield
Objective of Project	To provide sporting facilities for multiple sporting codes
Delays	Poor performance by previously appointed contractors resulted in delays.
Future Challenges	The project is almost complete and no challenges are anticipated
Anticipated citizen benefits	The project will provide quality sporting facilities to the community
Name of Project - D	Regraveling Cenyu Village Internal Roads
Objective of Project	Rehabilitation of disaster rain damaged roads
Delays	Project was completed as planned.
Future Challenges	The project is complete, no challenges are anticipated
Anticipated citizen benefits	The project restored access to the Cenyu community
Name of Project - E	Regraveling Phumlani Community
Objective of Project	Provide a meeting place for the community.
Delays	Project is on schedule
Future Challenges	The project is proceeding smoothly and currently no challenges are anticipated.
Anticipated citizen benefits	The project will provide the Phumlani community with a formal meeting place
	T 5.7.1

Other than an increase in the budget allocated to KKH Recreational Centre, due to underground water, there has not been any significant variances for the 5 projects presented above. For future projects, the municipality should reduce the time between the conclusion of planning and obtaining funding for execution of capital projects.

Service Backlogs as at 30 June Year 0				
				Households (HHs)
	*Service level above minimun standard		**Service level below minimun standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%
*% HHs are the service above/below minimum stamdard as a proportion of total HHs. 'Housing' refrs to * formal and ** informal settlements.*				*T 5.8.2*

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				%	%	
Roads, Pavements & Bridges	48 227 199	67 372 199	48 105 639	0%	-40%	Relevant Division of Revenue Act conditions. Office of the Premier reviewed procurement process
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation	7 860 000	7 860 000	4 964 695	-58%	-58%	Relevant Division of Revenue Act conditions. Office of the Premier reviewed procurement process
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
Reticulation				%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	

Gas				%	%	
Other Specify:				%	%	
Community	13 300 000	14 300 000	13 617 724	2%	-5%	Relevant Division of Revenue Act conditions
Other	8 382 850	8 000 000	8 088 512	-4%	1%	Relevant Division of Revenue Act conditions
				%	%	
Total	77 770 049	97 532 199	74 776 570	-4%	-30%	

** 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.*

The amounts disclosed above are including VAT and relate to only Grant funded capital projects. *T 5.8.3*

COMPONENT C: CASH FLOW STATEMENT

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS
Cash flow management is crucial for the financial stability and sustainability of a municipality. It ensures that the municipality has enough cash and cash equivalents available to meet its short-term obligations. Cash flow management assist in safeguarding the municipality against financial risk and uncertainties, promotes financial accountability, and enables effective delegation of financial responsibilities. By implementing sound cash flow management practices, the municipality can enhance its financial stability and improve overall performance.

Cash Flow Outcomes				R'000
Description	**Year -2023/24**	**Current: Year 2024/25**		
	Audited Outcome	**Original Budget**	**Adjusted Budget**	**Actual**
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts	**261 965 412**	**312 802 609**	**366 317 438**	**288 066 673**
Ratepayers and other	62 931 180	93 067 759	121 280 549	74 103 518
Government – operating	146 808 018	146 250 000	146 284 900	130 878 277
Government – capital	46 078 107	59 537 850	79 091 851	77 507 219
Interest	6 148 298	13 947 000	19 660 138	5 577 659
Dividends	-	-	-	-
Payments	**-207 849 611**	**-236 173 496**	**-261 548 513**	**-230 255 863**
Suppliers and employees	-209 802 739	-233 173 496	-259 048 513	-230 226 939
Finance charges	-46 872	- 3 000 000	-2 500 000	-28 924
Transfers and Grants	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**52 115 801**	**76 629 113**	**104 768 925**	**57 810 930**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				1 404 878
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	-44 484 678	-71 240 028	-86 346 352	-69 411 059
NET CASH FROM/(USED) INVESTING ACTIVITIES	**-44 484 678**	**-71 240 028**	**-86 346 352**	**-68 006 181**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	-288 495	–	–	-230 575

NET CASH FROM/(USED) FINANCING ACTIVITIES	-288 495	–	–	-230 575
NET INCREASE/ (DECREASE) IN CASH HELD	7 342 628	5 389 085	18 422 573	-10 245 946
Cash/cash equivalents at the year begin:	15 637 585	15 702 466	15 702 466	22 980 213
Cash/cash equivalents at the year end:	22 980 213	21 091 551	34 125 039	12 554 267
Source: MBRR A7				*T 5.9.1*

The variance in increase in cash and cash equivalents are due to the decrease in Small Town Revitalisation project funding during the 2024-25 financial year. Cash receipts from consumers are less due to the collection rate being less than anticipated. This resulted in less available funds to pay suppliers. The municipality do not have cash backed reserves.

BORROWING AND INVESTMENTS

The municipality invests conditional grants and portions of unconditional grant funding for employee related costs in short term investments (call accounts). The municipality is part of the Eskom Debt relief program and one of the requirements of the program is that the municipality limit borrowing.

Actual Borrowings: Year -2021/22 to Year 2024/25 R' 000				
Instrument	Year 2021/22	Year 2022/23	Year 2023/24	Year 2024/25
Municipality	-	-	-	-
Long-Term Loans (annuity/reducing balance)	-	-	-	-
Long-Term Loans (non-annuity)	-	-	-	-
Local registered stock	-	-	-	-
Instalment Credit	-	-	-	-
Financial Leases	-	-	-	-
PPP liabilities	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-
Marketable Bonds	-	-	-	-
Non-Marketable Bonds	-	-	-	-
Bankers Acceptances	-	-	-	-
Financial derivatives	-	-	-	-
Other Securities	-	-	-	-
Municipality Total	-	-	-	-
	-	-	-	-
Municipal Entities	-	-	-	-
Long-Term Loans (annuity/reducing balance)	-	-	-	-
Long-Term Loans (non-annuity)	-	-	-	-
Local registered stock	-	-	-	-
Instalment Credit	-	-	-	-
Financial Leases	-	-	-	-
PPP liabilities	-	-	-	-
Finance Granted By Cap Equipment Supplier				
Marketable Bonds				
Non-Marketable Bonds				
Bankers Acceptances				

Financial derivatives				
Other Securities				
Entities Total	-	-	-	
			T 5.10.2	

Municipal and Entity Investments R' 000				
Investment* type	**Year 2022/23**	**Year 2023/24**	**Year 2024/25**	
	Actual	**Actual**	**Actual**	
Municipality				
Securities - National Government				
Listed Corporate Bonds				
Deposits – Bank	14 960	22 324	11 997	
Deposits - Public Investment Commissioners				
Deposits - Corporation for Public Deposits				
Bankers Acceptance Certificates				
Negotiable Certificates of Deposit – Banks				
Guaranteed Endowment Policies (sinking)				
Repurchase Agreements – Banks				
Municipal Bonds				
Other				
Municipality sub-total	14 960	22 324	11 997	
Municipal Entities				
Securities - National Government				
Listed Corporate Bonds				
Deposits – Bank				
Deposits - Public Investment Commissioners				
Deposits - Corporation for Public Deposits				
Bankers Acceptance Certificates				
Negotiable Certificates of Deposit – Banks				
Guaranteed Endowment Policies (sinking)				
Repurchase Agreements – Banks				
Other				
Entities sub-total	-	-	-	
Consolidated total:	14 960	22 324	11 997	
			T 5.10.4	

COMMENT ON BORROWING AND INVESTMENTS:

The municipality does not have any borrowings and did not enter into any new borrowing agreements during the year. Investments relate to short term investments in call accounts) and are dominated in Rand.

5.3 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 SCM policy and when necessary, submit proposal for the amendments of the policy to council. The SCM policy was initially developed in 2005 and implemented to give effect to the SCM regulations, and it was last reviewed in May 2017. Amahlathi has established an SCM unit which comprises of four officials. The code of conduct, oath of secrecy and declaration forms are signed by all officials involved in supply chain management. The SCM manager has reached prescribed levels as required by the Minimum Competency Regulations Guidelines and the other three officials are still in process. In line with Municipal Finance Management Act (MFMA), the accounting officer has also established various bid committees that are consistent with the SCM regulations and any applicable legislation for competitive bidding i.e.

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

5.4 GRAP COMPLIANCE

The municipality is required by legislation to report on its financial affairs using GRAP Reporting Framework. The Annual Financial Statements and Fixed Asset Register have been prepared and submitted using applicable GRAP standards. In the current year, the municipality has not adopted any new standards and interpretations as there are none effective in the current financial year.

CHAPTER 6: AUDITOR GENERAL FINDINGS

6.1. AUDITOR GENERAL OPINION 2024/25

The Amahlathi Local Municipality received an unqualified audit opinion in 2024/2025 audit and the following issues were raised.

MATERIAL GOING CONCERN

The municipality is unable to pay creditors within due dates and has negative key financial ratios, and that net current liabilities were realised. As stated in note 49, these events or conditions, along with the other matters as set forth in note 49, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of Matters

- The financial statements, as disclosed on note 47, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the Local Municipality at, and for the year ended, 30 June 2025.

- On note 4 and 5 to the financial statements, material cumulative allowance for impairment losses of R118,5 million (2023-24: R89 million) and R55,5 million (2023-24: R53,7 million) was incurred as a result of a provision for impairment of debtors.

- On note 54 to the financial statements, material electricity losses of R12 million (2023-24: R18,4 million) were incurred, which represents 20% (2023-24: 35,3%) of total electricity purchased. The total losses are attributable to normal losses and illegal connections.

6.2 AUDIT ACTION PLAN TO ADDRESS 2023/24 FINDINGS

COAF No	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status

COAF 006	AFS	1. Electricity – Classification issue	For the General expenditure – Electricity amount recorded on the financial statements amounting to R4 178 562 as illustrated on note 39, it was identified that the transaction included expenditure for water and sanitation amounting to R3 849 540.93. Therefore, this means that the amount recorded on the financial statements is misleading to the users of the financial statements	This is due to failure to separate the expenditures for water and sanitation from the electricity expenditure on the financial statements or to be aligned with the vote for 'Electricity, Water and sanitation' as per the general ledger	Misstatement in Annual Financial Statement	Management should ensure that the amounts presented on the financial statement are accurate, appropriately presented and are not misleading to the users of the financial statements	1. Adequate time for the reviewal of Annual Financial Statements to Lead Schedules and supporting documents with sign-off. 2. Submission of AFS to Internal Audit for review. 3. Allow sufficient time to for Reviewal AFS in the Audit Plan	Expenditure Classification on Annual Financial Statements corrected.	18-Jul-25	Budget and Treasury	Implemented

COAF 009	SCM	ents - Inaccurate amount recorded	were identified to been inaccurately the commitments egister as follows	se was due to ent incorrectly ents made to rs for services efore resulting urate balance	atements in financial statements	hould ensure that adequate views are performed on the s Register and the inputs in ation relating to the contract ents made to suppliers and rders have been accurately recorded	commitments ter to WIP and ions Registers		15/08/2025	and Treasury	

COAF 009	AFS	h Flow Statement Differences	differences were in the Cash Flow Statement	eviews on the of cash flows statement of d making sure P standard is omplied with. as noted that not separated revenue (VAT d expenditure ble) the same separated in nual Financial Statements	atements in financial statements	ment should make sure that ons relating to receipts and is properly done taking into ements relating to cash flow items. management should make y adjustments to the annual atements to ensure that the ancial statements are fairly d as required by the MFMA.	te time for the nual Financial ead Schedules ing documents with sign-off. sion of AFS to ternal Audit for review. ient time to for FS in the Audit Plan		22-Aug-25	and Treasury	

		rror – Note 46	the prior period to disclose the ted amount per unspent s restated as	with vas noted ces were due lude ounts as P 3	financial	ould ensure that Prior e completely and sed in that it correctly ount previously reported, the error and the restated	for the al Financial ead Schedules documents AFS to t time to for the Audit			sury	

COAF 018	and Payables	invoices not paid days from invoice receipt date	ces were not paid days from date of invoices, refer to below for details	management ht in ensuring re paid within lated 30 days	Non-compliance	dertaking any procurement s the municipality must first t sufficient funds have been and cash is available for the f the required goods, works . This must be confirmed in hief Financial Officer. If this ed, then no orders must be such procurement must be proceed. Accordingly, it is the accounting officer, chief and head of procurement to al officials are aware of the sures and service providers re any orders are placed or approved	where supplier be paid within suppliers and evant payment arrangements	On going	30/06/2025	and Treasury	

Material Irregularity	Environmental Audit	1. Cathcart Waste Landfill and Transfer Station findings and impacts reported	The Amahlathi ocal Municipality's aste management and disposal activities sometimes contravene or failed to comply with the requirements of ction 28 (1) (Duty of Care) of the NEMA, section 19 (Prevention and remedying effects of pollution) of the NWA, 1998 (Act No. 36 of 1998. Requirements ithin the NEMWA, sections 16(1) (c) where waste must be disposed of, ensure that the waste is treated and disposed of in n environmentally sound manner & (d) manage the waste in such a anner that it does not endanger health or the environment or cause a nuisance through noise, odour or visual impacts, are not lways adhered to. The NEMWA, section 26(1)(a) rohibits disposing waste, or		Material Irregularity		1.Commence operation of ransfer station. 2. Closure and ehabilitation of the Cathcart waste didposal site		30 June 2025 0 June 2026	Community Services	

			knowingly, or egligently causing r permitting waste be disposed in or land, water body unless disposal of that waste is authorized and (b) disposing of waste a manner that is likely to harm the environment or harm to the health or well-being								

rity			ocal Municipality ve interest on om Debt		rity		pprove ent plan Eskom Debt e			asury	

6.3 AUDIT REPORT OF THE AUDITOR GENERAL 2024/25 FINANCIAL YEAR

Opinion

1. I have audited the financial statements of the Amahlati 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, cashflow 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 Amahlati Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and 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.

Material uncertainty relating to going concern

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

7. I draw attention to note 49 to the financial statements, which indicates that the municipality is unable to pay creditors within due dates and has negative key financial ratios, and that net current liabilities were realised. As stated in note 49, these events or conditions, along with the other matters as set forth in note 49, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

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

9. As disclosed in note 47 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 Local Municipality at, and for the year ended, 30 June 2025.

10. As disclosed in note 4 and 5 to the financial statements, material cumulative allowance for impairment losses of R118,5 million (2023-24: R89 million) and R55,5 million (2023-24: R53,7 million) was incurred as a result of a provision for impairment of debtors.

11. As disclosed in note 54 to the financial statements, material electricity losses of R12 million (2023-24: R18,4 million) were incurred, which represents 20% (2023-24: 35,3%) of total electricity purchased. The total losses are attributable to normal losses and illegal connections.

Other matter

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

13. 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

14. The Accounting Officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (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.

15. 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

16. 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.

17. 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 [insert page number of the annexure to the auditor's report on the settings sheet], forms part of my auditor's report.

Report on the annual performance report

18. 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 material performance indicators presented in the annual performance report. The Accounting Officer is responsible for the preparation of the annual performance report.

19. I selected the following material performance indicators related to KPA 1: Service Delivery and Infrastructure Services presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the Municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

% progress achieved on the surfacing (paving) of Xholorha Main Road

- % progress achieved on the rehabilitation of Mandlakapheli Village Road.
- % progress achieved on the rehabilitation of Langdraai Village Road.
- % progress achieved on the rehabilitation of Stutterheim - Landfill Site Road
- % progress achieved on the rehabilitation of Upper to Lower Ngqumeya road in Keiskammahoek
- % progress on the rehabilitation of Tshoxa road in Keiskammahoek
- % progress achieved on the rehabilitation of Kubusie road in Stutterheim
- % progress achieved on the rehabilitation of Mahanjane to Ohlson farm road in Stutterheim
- % progress on the reconstruction of Bridge between Rhawini and Bongweni
- % progress achieved on the rehabilitation of Amabele Road in Stutterheim
- % progress on the rehabilitation of Stanhope to Jerseyvale Road in Stutterheim
- % progress achieved on the rehabilitation of Gasela Road in Stutterheim
- % progress on the rehabilitation of Mlungisi township roads in Stutterheim
- % progress achieved on the rehabilitation of Cenyulands Village Roads in Stutterheim
- % progress achieved on the rehabilitation of Emagcumeni Road in ward 10
- % progress achieved on the rehabilitation of Road between Peer to Nxawe & Matsa to Nxawe in Ethembeni (ward 7)
- % progress achieved on the rehabilitation of Goshen Road in Cathcart
- % progress achieved on the rehabilitation of Sophumelela Roads in Keiskammahoek
- % progress achieved on the rehabilitation of Ngxondorheni village Roads in Keiskammahoek

- % progress achieved on the rehabilitation of Phumulani village Roads in Keiskammahoek
- % progress achieved on the rehabilitation of Bumbani village Roads in Keiskammahoek
- % progress achieved on the rehabilitation of Kom village Roads in Keiskammahoek
- % progress on pre-engineering work on the rehabilitation of Keiskammahoek Roads under the STR grant
- No of electricity meters installed
- % progress on the upgrade of streetlights and highmast lights
- No of fire awareness campaigns conducted
- % progress towards construction of Keiskammahoek Recreation Centre
- No. of paintable streets with faded roadmarkings painted
- % progress towards construction of Mbaxa Community Hall
- % Progress on upgrades of sport facilities(Mlungisi)

20. I evaluated the reported performance information for the selected material performance indicators 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.

21. 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 and verifiable to ensure that they are easy to understand and apply consistently and 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 what was 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

- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance

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

23. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

1. I draw attention to the matter below.

Achievement of planned targets

KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE SERVICES

Targets achieved: 95% *Budget spent: 94%*		
Key indicator not achieved	**Planned target achievement**	**Reported**
1.1.1 % progress achieved on the surfacing (paving) of Xholorha Main Road	100% progress achieved on the paving of 2,3 kilometers at Xholorha Township	90% progress achieved on the paving of 2,3 kilometers at Xholorha Township

1.2.1 No of electricity meters installed	200 meters electricity installed	Target not met 155 meters electricity installed

Report on compliance with legislation

24. 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.

25. 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.

26. 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.

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

Annual financial statements, Annual performance report, Annual report

28. 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.

29. Material misstatements of revenue 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.

Procurement and contract management

30. Sufficient appropriate audit evidence could not be obtained that goods and services with a transaction value of below R300 000 were procured using price quotations as required by SCM Regulation 17(1)(c).

31. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM Regulation 5.

32. The performance of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year

Expenditure management

33. Reasonable steps were not taken to ensure that money owed by the municipality was not always paid within 30 days as required by section 65(2)(e) of the MFMA.

34. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R4,7 million, as disclosed in note 52 of the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by non compliance with section 65(2)(e) of the MFMA.

Governance and oversight

1. The audit committee did not submit an audit report on the review of the performance management system to the council, at least twice during a financial year, as required by regulation 14(4)(a)(iii) on Municipal Planning and Performance Management.

Human resource management

2. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

Consequence management

3. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.

Other information in the annual report

4. 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 material indicators in the scoped-in development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.

5. 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.

6. 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 material indicators in the scoped-in development priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Internal control deficiencies

35. 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.

36. 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.

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 did not provide effective oversight responsibility regarding compliance and financial reporting. The slow progress in implementing the prior year action plan has resulted in repeat findings on compliance in the current year.

40. Leadership and senior management did not effectively monitor compliance with laws and regulations resulting in material non compliance with laws and regulations included in this report.

Material irregularities

41. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Status of previously reported material irregularities

Cathcart Waste Landfill site: Non-compliance with environmental management legislation

42. The municipality is operating a landfill site in Cathcart without a valid licence. The site was licensed for closure on 18 July 2013, with closure and rehabilitation required within a period of two years. This means that the license has lapsed, requiring a new closure license application for and upon closure. The site continues to be used for waste disposal and treatment.

43. This resulted in a material non-compliance with section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA) and section 16 (1) of the National Environmental Management: Waste Act 59, of 2008 (NEMWA) which resulted in pollution of the environment, mainly due to the following:

- No signs to and from the site observed.
- No access control (nor security) – no official after hours (only a spotter during day to monitor the waste dumping that incur).
- Waste disposal still incur.
- No or ineffective control over waste receive / disposed.
- Scavenging / recycler activities on site – burning of waste and smoke pollution.
- No proper treatment / compaction / closure of waste.
- No yellow assets – vehicles and equipment needed to compact / close – treat the waste upon disposal.
- No dust suppression.
- No weighbridge or billing system (or waste recording).
- Serious windblown litter / pollution of the areas on / surrounding the site.
- No gas, water, leachate monitoring.
- No ablution facilities / guard house or other equipment / needs

- Perfect breeding ground for vermin, vector and other unwanted elements (health and safety concerns)

44. There is a clear indication of significant air pollution, the degradation of the environment and other nuisances caused by improper landfilling. The pollution could cause serious health, safety and injury risks to the surrounding communities, including workers using the site or communities in nearby areas and substantial harm to the public.

45. The accounting officer was notified of the material irregularity on 28 March 2024 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded, and it was concluded that appropriate actions have been taken. The actions taken and planned are as follows:
    - The municipality compiled and submitted an action plan to the Department of Economic Development Environmental Affairs and Tourism (DEDEAT) on 26 January 2024, for the activities towards closure of the site and operationalisation of the transfer station.
    - The municipality managed to source funding for conducting the basic assessment, this being the first step to outline the following processes.
    o The tender advertisement for conducting the basic assessment of the site towards closure and rehabilitation closed on 19 April 2024.
    o A draft transfer station operational plan was submitted to DEDEAT for inputs and comments. Two skip bins were procured and delivered on 15 April 2024, however these still need to be adjusted to properly fit onto the skip bin truck.
    o A concept document was developed requesting further intense training of identified recyclers around the area of Cathcart, who are going to operate the transfer station was submitted to the DEDEAT.

46. Most of the actions taken by the accounting officer that are expected to bring improvement have been effected and some are still in progress. The service provider was appointed to assist the process and now the municipality is waiting for the waste licence application submitted to DEDEAT on 30 May 2025.
47. The progress will be followed up in the next financial year.

Auditor-General
East London
12 December 2025

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

- **Professional judgement and professional scepticism**

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

Financial statements

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

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

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Selected legislation and regulations	Consolidated firm level requirements
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)

MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)

Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2),11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

6.4 DRAFT AUDIT ACTION PLAN TO ADDRESS 2024/25 FINDINGS

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
1	COAF 001	SCM	1 Non-submission of information requested	The following information relating to RFI 3, issued on 25 July 2025 and due on the 30 July 2025 was not submitted: Section C - Consequence Management C.1 Attendance registers for trainings held on compliance	This is due to lack of adequate controls over document management process to ensure that information is readily available and accessible when required.	Internal control deficiency	It is recommended that management ensures that the information requested in the above mentioned RFIs is submitted on or before the due date of this communication of audit finding. Management should further ensure that proper record managements is implemented, and	1. A proper filing system must be maintained and record keeping improved.		28/02/2026	Corporate Services	N Nqulo	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
							information requested for audit is submitted within the timeline agreed upon as contained on the engagement letter.						

2	COAF 002	AFS	1. Annual Financial Statements	The following issues were identified during the High-level review of the Annual Financial Statements submitted on 30 August 2025: 1. Statement of Changes in net Assets Recalculated figures Amount as per submitted AFS Difference Accumulated surplus / deficit Total net assets Balance at 01 July 2024 as restated 264 641 349 264 641 349,00 256 504 063 8 137 286 2. Note 55: Segment information Segment surplus or deficit, assets and liabilities Recalculated figures Amount as per submitted AFS Difference 2025 Total expenditure reconciling items 224 151 766 234 966 476 -10 814 710 2024 Total expenditure reconciling items 233 840 784 246 129 965 - 12 289 181	The cause was due to inadequate reviews performed by management and those charged with governance, prior to the submission of the annual financial statements for audit.	Internal control deficiency	Management should ensure that adequate reviews are performed prior to the submission of the annual financial statements to the auditors as required by the legislated date.	1. Include sufficient time in the AFS plan for review of AFS; 2. Conduct a full review on the final set of Annual Financial Statements, after final changes was made.		28/08/2026	Budget and Treasury	B Ngwendu	

				3. Note 27: Other revenue from non-exchange transactions Amount as per the Statement of Financial Performance Amount as per the Note 27 - Other revenue Difference Eskom Debt waived 29 318 887 32 776 946 - 3 458 059									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
3	COAF 003	Internal Audit	1. Audit Committee	The following issues were identified during the audit of processes, procedures, and functionality of the Audit Committee: 1. The Municipality has not adopted the MFMA Circular 127 Municipal Audit Committee Toolkit as the requirements from the Circular had not been included in the Audit and Performance Committee Charter approved by Council. 2. The internal audit plan was not approved by the audit committee before the financial year starts, as required by the Global Internal Audit Standards and the Public Sector Audit Committee Forum. The approval date was on 20 August 2024 i.e. after 01 July 2024. 3. The Chief Audit Executive did not complete a plan for the external quality assessment prior to its completion.	Through enquiry with management, it was noted that the cause was due to oversight in ensuring effective and timely planning for the implementation of MFMA circulars, Regulations, Global Internal Audit Standards and the Public	Non-compliance	Management should ensure that all requirements in line with the MFMA, MFMA Circulars, Global Internal Audit Standards, Public Sector Audit Committee Forum and the Municipal Planning and Performance Management Regulations are adhered and compliant with for the operational	1. Internal Audit to review all compliance related issues for possible material non-compliance to be corrected during the year.		31/03/2026	Executive Services	N Mbende	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				4. The External Quality Assessment was submitted for audit, however, it was signed on 10 September 2025, after the Audit Committee's appointment term ended on 31 August 2025. Therefore, the report has not yet been acknowledged and received by the Audit Committee. 5. The Annual Report was reviewed by the audit committee on 18 February 2025 i.e. after the required 7 months. 6. The Audit and Performance Report was only reported once to Council on the 27 March 2025 meeting.	Sector Audit Committee Forum requirements.		effectiveness of the Audit Committee.						
4	COAF 003	Human Resources	2. Training Policy	It was identified that the municipality does not have a Training Policy in place and therefore indicates that there is no controls in place to provide direction on the completion of trainings.	Through enquiry with management, it was noted that the cause was due to	Internal control deficiency	The municipality should ensure that there is a Training Policy in place which directs the processes	1. Appoint an HR Manager 2. HR must develop a Training Policy		31/03/2026	Corporate Services	N Nqulo	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
					oversight in ensuring the municipality has a Training Policy implemented by its employees.		taken to improve and maintain core skills and competencies of the personnel within the municipality.						
5	COAF 004	Human Resources	Performance Management	It was noted that the Individual Performance Contracting processes in line with the Performance Management Policy were not implemented as the Performance Promises (performance agreements) were not cascaded to task grades 1 to 11.	Through enquiry with management, it was noted that the cause was due to oversight in ensuring the implementation of the Performa	Non-compliance	Management should ensure that the Performance Management Policy in place is implemented to comply with the applicable legislation.	1. Appoint a HR Manager 2. Cascade performance assessments to trask grades 1 - 11		31/03/2026	Corporate Services	N Nqulo	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
					nce Management Policy to all task grades.								
6	COAF 005	SCM	SCM CAATs	The following CAATs exceptions were identified: 1. Business partners of an employee in service of the municipality were identified to have transacted with the municipality as depicted in the table below: No. Name of person Position Partner entity name Supplier name Expenditure (Payments) - current year 1 Kupido Christo Quintin Gen Wrk Comm Services Stutterheim Emerging Construction and General Trading Primary Co-operative Limited Oobhungane Oongelengele Trading 40 525,00 2 Kupido Christo Quintin Gen Wrk Comm Services Stutterheim Emerging	1. This is due to lack of proper investigations and follow ups done on previously identified exception and on the declarations submitted by employees.	Internal control deficiency	Management should ensure that: • Timely follow ups on previously identified exceptions are done, and all municipal officials make honest declarations of interest and conduct more awareness programmes of what constitutes interest. • The	1. Timely review if previous identified CAATs exceptions have been corrected 2. Communicate the importance of completing a declaration of interest form 3. Management to decide on an annual		30/06/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				Construction and General Trading Primary Co-operative Limited TH Paul Kruger Construction 113 360,00 It should further be noted the exception was identified in the 2023-24 financial year and that no declaration of the interest was made by the employee on the declaration submitted for audit purposes.			suppliers that form part of ongoing contracts and panels are required to declare interest prior to being awarded new work.	deadline date for all annual declaration of interest forms to be completed and submitted					
7	COAF 007	SCM	PPR Calculation	The following variances were identified for PPR calculations performed in line with PPR 2022: No. Name of Supplier Contract Number Points Awarded Auditor's recalculation Differences 1 Qamis Trading Enterprise CC ALM/SCM/19/2024-25 83 80 3 2 Olua Trading (Pty) Ltd ALM/SCM/19/2024-25 16.74 13.74 3 3 MSAS Solutions ALM/SCM/13/2024-25 19.80 13.80 6	This was due to lack of oversight on the part of management's reviews of the Preferential Procurement Points.	Internal control deficiency	Management should ensure that there are adequate reviews of the allocation of the Preferential Procurement Points calculations, to avoid any potential risks of inaccurately	1. Bid Committees must properly review the PPR Calculations		30/06/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				4 Waltons ALM/SCM/13/2024-25 42.76 39.76 3 5 Zentriblox ALM/SCM/40/2024-25 69.54 66.54 3 6 Hello World Systems ALM/SCM/03/2024-25 91 83 8 7 Sizwe Paints PO04972 100 80 20 8 City Paints & Tool PO04972 86.53 66.53 20 9 Dulux Paint Centre PO04972 72.55 52.55 20			awarding a supplier, which would lead to Irregular Expenditure.						
8	COAF 008	Human Resources	1. Allowances - Policy Noncompliance	Travel allowance for Employee 269 as per the table below. Determined based on 30% average salary per SALGA as per the travel allowance policy	Absence of adequate monitoring to ensure compliance with the municipality's allowance policy and employment contracts.	Internal control deficiency	Ensure that allowance payments are made strictly in line with the municipality's approved allowance policy, employment contracts, and relevant legislative requirements.	1. HR must scruitanise HR policies and confirm property implementation thereof		31/03/2026	Corporate Services	N Nqulo	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
9	COAF 008	Expenditure	2. Difference between AFS and payroll reconciliation	When performing reconciliation between the AFS and the payroll report we noted a difference of R 1 789 272.94 between the payroll report and the AFS	The cause was due to inadequate reviews performed by management and those charged with governance, prior to the submission of the annual financial statements for audit.	Internal control deficiency	The amount in the AFS should be adjusted to reflect the amount payroll reports each individual payroll line items affected	1. A final alignment reconciliation must be done at year end to ensure that the employee related costs disclosed agrees to the line items per payroll report		18-Jul-26	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
10	COAF 009	SCM	1. Contracts not monitored on a monthly basis	The following contracts were not monitored on a monthly basis	This is due to management lack of oversight in ensuring that contracts are monitored on a monthly basis to comply with the MFMA	Non-compliance	1. Update business process to indicate that contracts are monitored prior to payment and/or upon completion of the project. 2. End user to complete a performance monitoring form when submitting invoices for payment, which will form part of the payment voucher	1. Contract Management must include monthly contract monitoring		31/03/2026	Budget and Treasury	B Ngwendu	
11	COAF 009	SCM	2. Extensions and variations not done in	The following contract variations were not approved in accordance with SCM Regulations and the MFMA as they were not approved in	This is due to lack management	Non-compliance	Management should ensure that all variations or	1. Prepare checklist of contract		31/03/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
			line with SCM Regulations	accordance with the municipality's policy: NO. CONTRACT NUMBER CONTRACT DESCRIPTION SERVICE PROVIDER AMOUNT 1 ALM/SCM/45/2023-24 Construction of Amahlathi Offices Abram Mashego Construction & Maintenance Works jv PJA General Trading 1 168 312,20 2 ALM/SCM/44/2023-24 Construction of Mlungisi Sports field ZKS & Nam General Trading 13 200,00 2.The following contract extensions of time were not approved in accordance with SCM Regulations and the MFMA as they were not approved in accordance with the municipality's policy: NO. CONTRACT NUMBER CONTRACT DESCRIPTION	oversight in ensuring that MFMA and SCM Regulations are being adhered to and applied.		extensions to contracts are approved in accordance with the MFMA, SCM Regulations and the municipality's policy.	variations and contract extensions. 2. Completed checklist must accompany all variations or extentions					

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				SERVICE PROVIDER 1 ALM/SCM/57/2023-24 Town planning office refurbishment TH Paul Kruger Construction 2 ALM/SCM/22/2023-24 Fencing of Stutterheim Landfill site and Refurbishment of recycling facility Guqaa (Pty) Ltd 3.The following contract variations were not approved in accordance with SCM Regulations and the MFMA as there was no supporting evidence to indicate that the extension was justifiable: NO. CONTRACT NUMBER CONTRACT DESCRIPTION SERVICE PROVIDER 1 SCM/11/2019-20 Provision of Banking services for a period of 60 months First rand bank limited									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
12	COAF 009	SCM	3. No penalties identified on underperformance of supplier	Evidence submitted for the following contracts indicate that there were delays on the progress of the contract but no penalties were identified as a result of those delays: NO. CONTRACT NUMBER CONTRACT DESCRIPTION SERVICE PROVIDER 1 ALM/SCM/22/2023-24 Fencing of Stutterheim Landfill site and Refurbishment of recycling facility Guqaa (Pty) Ltd	This is due to the lack of adequate implementation and maintaining a system of internal control to ensure that contracts that do not perform in terms of the conditions of the contract are given penalties or even terminated.	Non-compliance	Management should penalise or terminate the service of service providers who do not perform in terms of the general conditions of the contract.	1. Contract Management must include contract performance evaluation.		31/03/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
13	COAF 009	SCM	4. Contracts with no contract end date	The following contracts were identified to not have contract end dates: NO. CONTRACT NUMBER CONTRACT DESCRIPTION SERVICE PROVIDER Contact end dates 1. ALM/SCM/28/2022-23 Construction of Keiskammahoek Multi-recreational centre Vitsha Trading 27/06/25 2. ALM/SCM/45/2023-24 Construction of Amahlathi Offices Abram Mashego Construction & Maintenance Works jv PJA General Trading 30/03/26 3. ALM/SCM/44/2023-24 Construction of Mlungisi Sports field ZKS & Nam General Trading 16/04/25 4. ALM/SCM/02/2023-24 Construction of Mbaxa Community Hall Imivuzo Trading 20/04/25 5. ALM/SCM/57/2023-24 Town planning office refurbishment TH Paul Kruger Construction 4	This is due to the lack of adequate implementation and maintaining a system of internal control to ensure that contracts include a contract period that is agreed upon by the service provider and the municipality at contract inception.	Internal control deficiency	Management should ensure that the contracts entered into with the municipality have set limits in order to avoid ongoing contracts.	1. SCM must ensure that all appointment letters indicate a contract end date.		31/03/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				Months 6. ALM/SCM/25/2022-23 Construction of Stutterheim Multi-Recreational centre Balu Investments jv Naniswa Trading 10/04/25									
14	COAF 010	SCM	Non-submission of information requested	During the audit of Commitments, the request for information (RFI) no. 43 was issued to management on 31 October 2025 with the due date of 04 November, after evaluating the submitted information the auditors identified that the following documents requested on the RFI document were not submitted (i.e. are still outstanding): - Appointment letters (Contract amount reflected) - Payment certificates (Expenditure to date e.g. 30/06/2025 reflected) List of contracts with outstanding appointment letters: No CONTRACT NUMBER	This is due to lack of adequate controls over document management process to ensure that information is readily available and accessible when required.	Internal control deficiency	Management should ensure that the information requested in the above mentioned RFIs is submitted on or before the due date of this communication of audit finding. Management should further ensure that proper record	1. A proper filing system must be maintained and record keeping improved.		30/06/2026	Budget and Treasury	B Ngwendu	

No.	COAF No	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				CONTRACT DESCRIPTION APPOINTMENT DATE SERVICE PROVIDER TYPE/COMMODITY TENDER AWARD VALUE (incl VAT) Variation order / Extension Payments as at 30 JUNE 2025 Commitments as at 30 JUNE 2025 1 ALM/SCM/01/2023-24 Panel of six contractors for the construction of unpaved roads & associated storm-water structures for a period of one years (also forest way & Toise) 22/08/2023 Mikuwo Construction Roads R 3 863 290,47 R 0,00 R 3 863 290,47 R 0,00 7 ALM/SCM/25/2023-24 Panel of five contractors: Construction of Kubusie Road from area 5 to Mahanjan & Ohlson farm road in Stutterheim 18/03/2024 Civ-Con Projects Roads R2 956 067,38 R 0,00 R 2 956 067,38 R0,00 8 ALM/SCM/25/2023-24 Panel of five contractors: Construction of roads between peer to			managements is implemented , and information requested for audit is submitted within the timeline agreed upon as contained on the engagement letter.						

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				nxawe & Matsa to Nxawe in Tembeni 07/10/2024 Civ-Con Projects Roads R2 750 745,00 R 0,00 R 682 102,38 R2 068 642,62 13 ALM/SCM/25/2023-24 Panel of five Contractors: Construction of Bridge between Rhawini and Bongweni 18/03/2024 Naniswa Trading (Pty) Ltd Roads R949 974,06 R 0,00 R 907 212,04 R42 762,02 List of contracts with outstanding Payment Certificate: Tab A No CONTRACT NUMBER CONTRACT DESCRIPTION APPOINTMENT DATE SERVICE PROVIDER TYPE/COMMODITY TENDER AWARD VALUE (incl VAT) Variation order / Extension Payments as at 30 JUNE 2025 Commitments as at 30 JUNE 2025 1 ALM/SCM/01/2023-24 Panel of six contractors for the construction of unpaved roads									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				& associated storm-water structures for a period of one years (also forest way & Toise) 22/08/2023 Mikuwo Construction Roads R 3 863 290,47 R 0,00 R 3 863 290,47 R 0,00 7 ALM/SCM/25/2023-24 Panel of five contractors: Construction of Kubusie Road from area 5 to Mahanjan & Ohlson farm road in Stutterheim 18/03/2024 Civ-Con Projects Roads R2 956 067,38 R 0,00 R 2 956 067,38 R0,00 8 ALM/SCM/25/2023-24 Panel of five contractors: Construction of roads between peer to nxawe & Matsa to Nxawe in Tembeni 07/10/2024 Civ-Con Projects Roads R2 750 745,00 R 0,00 R 682 102,38 R2 068 642,62 12 ALM/SCM/25/2023-24 Panel of five contractors: Construction of roads For Phumlani village, Bumbane and Kom Internal Road in Keiskammahoek 07/10/2024 MVI Construction Roads R3 306 519,05 R 0,00 R									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				2 644 853,72 R661 665,33 14 ALM/SCM/25/2023-24 Panel of five Contractors: Construction of Amabhele road, Jersey vale roads & Gasela road in Stutterheim 18/03/2024 Naniswa Trading (Pty) Ltd Roads R2 519 000,00 R 0,00 R 837 417,65 R1 681 582,35 Tab B No CONTRACT NUMBER CONTRACT DESCRIPTION APPOINTMENT DATE SERVICE PROVIDER TYPE/COMMODITY TENDER AWARD VALUE (incl VAT) Variation order / Extension Payments as at 30 JUNE 2025 Commitments as at 30 JUNE 2025 1 ALM/SCM/44/2023-24 Construction of Mlungisi Sports field Phase 3 31/0/7/2024 ZKS & Nam General Trading Roads R4 850 000,00 R 0,00 R 3 476 811,83 R1 373 188,17									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
15	COAF 011	SCM	Non-submission of information requested	During the audit of Commitments, the request for information (RFI) no. 43 was issued to management on 31 October 2025 with the due date of 04 November, after evaluating the submitted information the auditors identified that the following documents requested on the RFI document were not submitted (i.e. are still outstanding): - Appointment letters (Contract amount reflected) - Payment certificates (Expenditure to date e.g. 30/06/2025 reflected) List of contracts with outstanding appointment letters: No CONTRACT NUMBER CONTRACT DESCRIPTION APPOINTMENT DATE SERVICE PROVIDER TYPE/COMMODITY TENDER AWARD VALUE (incl VAT) Variation order / Extension Payments as at 30 JUNE 2025 Commitments as at 30 JUNE	This is due to lack of adequate controls over document management process to ensure that information is readily available and accessible when required.	Internal control deficiency	Management should ensure that the information requested in the above mentioned RFIs is submitted on or before the due date of this communication of audit finding. Management should further ensure that proper record managements is implemented, and information requested for audit is submitted	1. A proper filing system must be maintained and record keeping improved.		30/06/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				2025 1 ALM/SCM/01/2023-24 Panel of six contractors for the construction of unpaved roads & associated storm-water structures for a period of one years (also forest way & Toise) 22/08/2023 Mikuwo Construction Roads R 3 863 290,47 R 0,00 R 3 863 290,47 R 0,00 7 ALM/SCM/25/2023-24 Panel of five contractors: Construction of Kubusie Road from area 5 to Mahanjan & Ohlson farm road in Stutterheim 18/03/2024 Civ-Con Projects Roads R2 956 067,38 R 0,00 R 2 956 067,38 R0,00 8 ALM/SCM/25/2023-24 Panel of five contractors: Construction of roads between peer to nxawe & Matsa to Nxawe in Tembeni 07/10/2024 Civ-Con Projects Roads R2 750 745,00 R 0,00 R 682 102,38 R2 068 642,62 13 ALM/SCM/25/2023-24 Panel of five Contractors: Construction of Bridge between			within the timeline agreed upon as contained on the engagement letter.						

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				Rhawini and Bongweni 18/03/2024 Naniswa Trading (Pty) Ltd Roads R949 974,06 R 0,00 R 907 212,04 R42 762,02 List of contracts with outstanding Payment Certificate: Tab A No CONTRACT NUMBER CONTRACT DESCRIPTION APPOINTMENT DATE SERVICE PROVIDER TYPE/COMMODITY TENDER AWARD VALUE (incl VAT) Variation order / Extension Payments as at 30 JUNE 2025 Commitments as at 30 JUNE 2025 1 ALM/SCM/01/2023-24 Panel of six contractors for the construction of unpaved roads & associated storm-water structures for a period of one years (also forest way & Toise) 22/08/2023 Mikuwo Construction Roads R 3 863 290,47 R 0,00 R 3 863 290,47 R 0,00 7 ALM/SCM/25/2023-24 Panel									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				of five contractors: Construction of Kubusie Road from area 5 to Mahanjan & Ohlson farm road in Stutterheim 18/03/2024 Civ-Con Projects Roads R2 956 067,38 R 0,00 R 2 956 067,38 R0,00 8 ALM/SCM/25/2023-24 Panel of five contractors: Construction of roads between peer to nxawe & Matsa to Nxawe in Tembeni 07/10/2024 Civ-Con Projects Roads R2 750 745,00 R 0,00 R 682 102,38 R2 068 642,62 12 ALM/SCM/25/2023-24 Panel of five contractors: Construction of roads For Phumlani village, Bumbane and Kom Internal Road in Keiskammahoek 07/10/2024 MVI Construction Roads R3 306 519,05 R 0,00 R 2 644 853,72 R661 665,33 14 ALM/SCM/25/2023-24 Panel of five Contractors: Construction of Amabhele road, Jersey vale roads & Gasela road in Stutterheim 18/03/2024 Naniswa Trading (Pty) Ltd Roads R2 519 000,00 R 0,00 R									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				837 417,65 R1 681 582,35 Tab B No CONTRACT NUMBER CONTRACT DESCRIPTION APPOINTMENT DATE SERVICE PROVIDER TYPE/COMMODITY TENDER AWARD VALUE (incl VAT) Variation order / Extension Payments as at 30 JUNE 2025 Commitments as at 30 JUNE 2025 1 ALM/SCM/44/2023-24 Construction of Mlungisi Sports field Phase 3 31/0/7/2024 ZKS & Nam General Trading Roads R4 850 000,00 R 0,00 R 3 476 811,83 R1 373 188,17									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
16	COAF 012	AFS	Cashflow differences	The following differences were identified in the Cash Flow Statement	Lack of reviews on the calculations of cash flows included in the statement of cash flows and making sure that GRAP standard is complied with. Further, it was noted that VAT was not separated between revenue (VAT payable) and	Misstatements in financial statements	Management should make sure that calculations relating to receipts and payments is properly done taking into account all elements relating to cash flow items. Further to that, management should make the necessary adjustments to the annual financial statements to ensure that the annual	1. Adequate time for the reviewal of Annual Financial Statements to Lead Schedules and supporting documents with sign-off. 2. Submission of AFS to Internal Audit for review. 3. Allow sufficient time to for Reviewal AFS in the Audit Plan		22-Aug-26	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
					expenditure (VAT receivable) the same way it has been separated in the Annual Financial Statements		financial statements are fairly presented as required by the MFMA.						

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
17	COAF 013	SCM	1. Quotations not approved in line with SCM Regulations	The following quotations were noted to not have been approved in line with SCM Regulations: No. Contract number Service Provider Description Amount 1 PO05259 VEZI MJA SECURITY AND CLEANING SERVICES Maintenance Street & Roads 29 998,00 2 ALM/SCM/04/2024-25 Eya bantu Professional Services (Pty) Ltd Supply and Installation of Check Meters for ALM R173 827,65 3 ALM/SCM/30/2024-25 Qamis Trading Enterprise cc Supply, Delivery and fitment of two (02) front end loader tyres R69 900,00 4 ALM/SCM/05/2024-25 Sizisa Ukhanyo Trading 784 cc Installation of Burglars, Tinting of Windows, and Installation of Air conditioners to Mzwandile Fanti Recreational Centre R298 430,00 The bid reports submitted for	This is due to management lack of oversight in ensuring that all SCM Regulations and the MFMA have been appropriately applied	Non-compliance	Management should ensure that all Request for Quotations where less than 3 quotes were obtained, the reasons for not obtaining 3 quotes is documented and approved by the Chief Financial Officer.	1. Ensure that 3 quotes are received. 2. Where less than 3 quotes were obtained, the reasons for not obtaining 3 quotes must be documented and approved by the Chief Financial Officer.		31/03/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				audit purposes included an approval of the appointment of the service providers by the Chief Financial Officer, however, reasons for not obtaining 3 quotations thereof were not included.									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
18	COAF 013	SCM	2. Contract payments in excess of the Contract Amount	The following contract was noted to have had payments in excess of the initial contract value: No. Contract number Service Provider Amount Payments made Difference 1 ALM/SCM/27/2022-23 Lateral Unison Insurance Brokers 935 164,00 1 184 656,00 - 249 492,00	This is due to management lack of oversight in ensuring that all SCM Regulations and the MFMA has been appropriately applied.	Non-compliance	Management should ensure that payments made in relation to contracts, do not exceed their contract amounts without appropriate approvals as per the SCM Regulations so as to avoid irregular expenditure being incurred.	1. Contract Management must include monthly contract monitoring. Cost to date must form part of this monitoring		31/03/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
19	COAF 013	SCM	3. Deviations	The following deviation was noted to not have included an acceptable reason for deviation as required by SCM Regulation 36: NO. ORDER NUMBER NAME OF SERVICE PROVIDER AMOUNT 1. PO04860 Fort Hare Trading Solutions R140 660,00 The reason provided by management was that Fort Hare Trading Solutions was most suitable based on obtained quotations. Therefore, this reason did not fall under any of 5 acceptable instances to deviate from normal procurement processes.	This is due to management lack of oversight in ensuring that all SCM Regulations and the MFMA has been appropriately applied.	Non-compliance	Management should ensure that deviations are approved only under the stipulated instances on SCM Regulation 36. Normal procurement processes should be followed for all instances where SCM Regulation 36 does not apply.	1. Prepare checklist for deviations in line with Regulation 36. 2. Completed checklist must accompany all deviation requests		31/03/2026	Budget and Treasury	B Ngwendu	

20	COAF 014	SCM	1. Completeness of Contracts Register	It was noted that the Municipality's Contracts Register, Quotations Register and Deviations Register did not include various supplier contracts as indicated in the Municipality's payments listing for the 2024-25 financial year. Please see below suppliers not included in the Contracts Register, Quotations Register and Deviations Register: No. Supplier Name Payment Amount 1 HITECH COMMUNICATION SOLUTIONS - 8 459,40 2 ZIINZAME CONSULTING ENGINEERS - 3 369 834,72 3 RED ALERT - 48 415,58 4 SNR Electrical CC - 443 992,63 5 EAST LONDON INDUSTRIAL DEVELOPMENT ZONE - 80 730,00 6 PHIKO LAMA WUSHE PTY LTD - 29 900,00 7 SKILLFULL190 T/A EVERGREEN LAWS -	This is due to management's inadequate review of the contracts, quotations and deviations register to ensure accuracy and completeness thereof.	Non-compliance	Management should ensure that internal controls such as the review process of the contract register are implemented to ensure that all awarded contracts are included in the registers.	1. Review contracts register on a quarterly basis.		31/03/2026	Budget and Treasury	B Ngwendu	

				873 540,00 8 SOLANGA TRANS - 3 000,00 9 N.J. TRANSPORT SERVICE - 3 800,00 10 VOLKSWAGEN OF SOUTH AFRICA - 732 954,40 11 THE FIRST BED AND BREAKFAST - 6 750,00 12 BOLUNCOMA TRADERS - 5 835,00 13 J M J SALES - 14 950,00 14 GNL CONSULTING SERVICES - 72 000,00 15 M MDEDELWA TOO GO - 110 000,00 16 VULEKA CONSTRUCTION SERVICES - 152 280,90 17 NOMBULELO FRANCES MAHANJANA PTY LTD - 3 600,00 18 TOTAL COMPUTER SERVICES - 62 879,62 19 HARLEQUIN TRADE AND INVEST - 5 000,00 20 REVENUE CONSULTING - 26 709,24 21 TECHNO FIRE SERVICES -									

				882 027,00 22 ECPG PROVINCE - 620 360,49 23 ECPG RTMC - 32 904,00									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
21	COAF 014	SCM	2. Difference in irregular expenditure written off	For other expenditure as included under general expenditure, it was identified that the population included cash discounts, which were found to be incorrectly classified. Further inspection of the flyer and the debt reduction payment incentive scheme, as published on the ALM website, confirmed that these discounts are essentially debt write-offs and should be classified as debt impairment rather than other expenditures, as their nature corresponds to debt impairment expenditure. Below is the description on the general ledger vote that recorded the items that were misclassified	This is due to management lack of oversight in ensuring that the Council Debt Write Off is recorded at an accurate amount.	Non-compliance	Management should ensure that all the Council Debt Write Off is recorded at an accurate amount as indicated on the MPAC minutes.	1. Review MPAC reports and compare to Irregular Expenditure Register		31/03/2026	Budget and Treasury	B Ngwendu	
22	COAF 015	AFS	Incomplete Identification of Reportable Segments in terms of GRAP 18	Management included a paragraph in the 2024/25 Annual Financial Statements (Note 55 – Segment Reporting) describing the basis used to identify reportable segments in line with GRAP 18. However, the segment identification disclosed did not include certain	This occurred due to management oversight in the segment identificati	Non-compliance	Review and update the GRAP 18 segment assessment to ensure all activities meeting the criteria in	1. Review GRAP 18 and ensure that all segments are accurately		31/01/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				activities such as Roads and Property Rates. Audit procedures performed in accordance with GRAP 18.5(a)–(b) identified that both Roads and Property Rates meet the criteria for separate reporting segments, as outlined below: Activity Economic benefits / Service potential Regularly reviewed by management Separate financial information available Roads Yes -Provide essential infrastructure supporting economic and social development (evidenced by MIG and IDP reports). Roads provide essential infrastructure enabling mobility and access, which supports economic and social development. Evidence: MIG Report prioritizes roads in the IDP and allocates significant funding for internal road projects Yes. Section 71 Report shows Road Transport Vote with operating expenditure	on process and insufficient review of the GRAP 18 assessment to ensure all qualifying activities were included in the final financial statement disclosure.		GRAP 18.5(a)–(b), including Roads and Property Rates, are properly identified and disclosed. Ensure that the basis for identifying reportable segments is supported by documented evidence (such as Section 71 reports, IDP, and MIG data) and approved by the Accounting Officer. Implement a review	reported per the Mid-year AFS					

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				(R33.3m YTD) and capital expenditure (R103k YTD vs R59.3m budget). These figures are monitored monthly and reported to Council and Treasury. MIG Report confirms PMU oversight and monthly/quarterly reporting. Yes. Section 71 Report provides separate line items for Road Transport under revenue and expenditure by vote, and capital expenditure by function. MIG Report also provides project-level financial details... Property Rates Yes - Generate economic benefits and form a major source of municipal revenue for service delivery. Property rates are a major source of municipal revenue, funding service delivery. Section 71 Report shows YTD property rates revenue of R14.77m against a budget of R20.06m Yes. Section 71 Report includes property rates in revenue analysis and variance explanations (unfavourable variance of 26%).			process before year-end to verify that all qualifying segments are included in the financial statements a0nd that the disclosure aligns with the internal management reporting structure.						

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				Management monitors collection rates monthly (e.g., 55% average collection for property rates in Q3). These are discussed in financial recovery plans and adjustments budgets. Yes. Section 71 Report provides property rates as a distinct revenue source and includes collection performance tables									
23	COAF 016	Revenue	Revenue from construction projects was recorded twice on the statement of financial performance	It was established that the revenue recorded under exchange revenue transactions as management fees received was a duplicate as it was already accounted for under revenue from non-exchange transactions as recorded under Government grants and subsidies vote D0001/IR012106/F09680/X099/ R0839/001/ENG – Disaster grant as part of the conditions met of R33 564 699 that was removed on the liability under unspent conditional grants. Per enquires with management and further inspection of the	This is due to management oversight in applying the relevant GRAP standard, for the recognition of revenue.	Internal control deficiency	Management should ensure that all amounts recorded on the Annual Financial Statements should be supported by relevant, reliable and accurate documentation and the correct standard is applied for	1. Prepare SOP for in-house projects based on the auditor's conclusion. 2. File the auditor's conclusion for future audits. 3. Communicate SOP		31/01/2026	Engineering / Budget and Treasury	N Dlova / B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				grant letter confirmed that the Disaster grant was to be utilised for the in-house projects. This met the recognition criteria of GRAP 23 standard as the stipulated conditions and the accounting treatment thereof was met. Inspection of the contract register the following value of the awarded work was noted: CONTRACT NUMBER CONTRACT DESCRIPTION AWARD DATE SERVICE PROVIDER ESTIMATED END DATE TOTAL TENDER AWARD VALUE (incl VAT) IN-HOUSE/3/24-25 Construction of unpaved roads and storm-water structures at Goshen road (R351) in Cathcart 19/09/2024 Amahlathi Municipality 31/05/2025 R2 556 008,98 IN-HOUSE Construction of roads and storm-water in Stutterheim Landfill site 19/09/2024 Amahlathi			revenue recognised.						

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				Municipality 31/05/2025 R1 011 149,00 R3 567 157,98 However, management also recognized a revenue related to these projects as exchange revenue as indicated above and therefore confirmed that the revenue was duplicated as recorded on the GL as follows: DATE VOTE TYPE CREDIT AMOUNT REFERENCE 2025/06/30 D0001/IR01411/F0045/X049/R0839/001/BTO 1300 - Operational Revenue [Revenue - Exchange Rev 1 059 758,21 - 1 059 758,21 GL-JNLBR01782 2025/06/30 D0001/IR01411/F0045/X049/R0839/001/BTO 1300 - Operational Revenue [Revenue - Exchange Rev - 138 229,33 Correction of VAT on Goshen Project 2025/06/30 D0001/IR01411/F0045/X049/R0839/001/BTO 1300 - Operational Revenue [Revenue									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				- Exchange Rev 454 559,86 - 454 559,86 Correct allocation of revenue from rendering service 2025/06/30 D0001/IR01411/F0045/X049/R 0839/001/BTO 1300 - Operational Revenue [Revenue - Exchange Rev 251 062,43 - 251 062,43 Correct allocation of revenue from rendering service 2025/06/30 D0001/IR01411/F0045/X049/R 0839/001/BTO 1300 - Operational Revenue [Revenue - Exchange Rev 234 863,32 - 234 863,32 Correct allocation of revenue from rendering service 2025/06/30 D0001/IR01411/F0045/X049/R 0839/001/BTO 1300 - Operational Revenue [Revenue - Exchange Rev 415 984,34 - 415 984,34 Correct allocation of revenue from rendering service 2025/06/30 D0001/IR01411/F0045/X049/R 0839/001/BTO 1300 - Operational Revenue [Revenue - Exchange Rev 583 432,52 - 583 432,52 Correct allocation of									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				revenue from rendering service - 2 861 431,35 It was also indicated that management also recognized the VAT portion in relation to this revenue, however based on the evidence stated per the grant allocation letter from National disaster management centre this revenue should not have attracted VAT as per GRAP 23 as it had stipulated conditions to be met and management did meet the conditions and recognized the non-exchange revenue. Therefore, this overstated the exchange revenue recorded on the face of the statement of financial performance.									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
24	COAF 017	Receivables	Inconsistencies on the Impairment of Debtors	It was noted that the municipality impaired the municipal debtors; however, the evidence to confirm how the impairment was done was not submitted to support the impairment of all debtors. Consequently, auditors were unable to confirm the assumptions used in determining the impairment as the credit collection policy is silent on how the municipality applies the GRAP standard on impairment of debtors. It was also noted that not all debtors were impaired as doubtful as government debtors that are past due were not impaired thus could not confirm that the municipality fully applied the requirements of GRAP 104. Inspection of the impairment calculation submitted with financial statements, the following issues were noted: • current debt owed by customers for 30 days was included in the calculation,	This is due to: • lack of a formal impairment policy or methodology to guide consistent application of impairment principles. • Over-reliance on management assumptions without supporting objective evidence	Misstatements in financial statements	Management should: • develop and implement a formal impairment policy approved by council and methodology aligned with GRAP 104, defining assessment criteria, data sources, and calculation methods used by the municipality and perform the assessment and confirm that the assumptions used are still in line with the	1. Draft Provision for doubtful debt policy		31/03/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				• absence of a methodology or standard operating procedure outlining the processes, percentages and criteria used for determining impairment results in the auditor not being able to confirm the reasonability of the impairment of the exchange and non-exchange debtors.	or methodology for the processes followed in calculation of the impairment.		standards on an annual basis. • conduct a comprehensive review of all debtor balances, including government debtors, to assess whether objective evidence of impairment exists. • ensure impairment calculations to ensure formulas and assumptions are accurate and consistently applied.						

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
25	COAF 018	Revenue	1. Other revenue: Insurance refund income was recognized; however no supporting documentation was provided.	Inspected the accounting records and noted an insurance refund recognized of R225 000, however no supporting documentation for the recognition was supplied and thus a limitation of scope therefore the revenue recognized cannot be verified after enquiries with management.	The difference is caused by inadequate oversight by management in providing relevant, reliable and up to date supporting documentation supporting the amounts record on the financial statements.	Misstatements in financial statements	Management should ensure that all amounts disclosed on the Annual Financial Statements are supported by relevant, reliable and accurate documentation provided timeously to eliminate delays that might impact audit fees.	1. Bank Reconciliations must be performed on a monthly basis. 2. Accurately review Bank Reconciliations		31/03/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
26	COAF 018	Revenue	2. Service charges-refuse: Inconsistent application of the tariff on domestic customers	During the audit of refuse removal, it was identified that the municipality charged or billed to an incorrect tariff to a domestic account. it was noted that the tariff rate applied was the residential rate however, the charge was applied per bin, whereas the approved tariff structure does not provide for per-bin charge for residential properties or accounts. Upon inquiry with management, it was clarified that the property has flats, and for properties with flats, the municipality charges per bin since multiple bins will require higher quantities for refuse collection. However, this explanation is not documented in the municipality's tariff policy, and as a result, the following residential customer account was overcharged: -Account No. 90015975 • Per Bin (BR201) - Units 2 x R146.75 = R293.48. Therefore,	Management applied a practice based on operational considerations for big plot with residential structures that is not formally documented in the approved tariff policy. The municipality's tariff policy does not clearly define or document the billing	Misstatements in financial statements	Management should update the tariff policy to include clear guidelines for charging refuse removal fees for properties with multiple units or bins. Additionally, management should review accounts billed under this approach to determine if adjustments or refunds are required.	Management must document how refuse removal are charged for residents with more than one occupant		31/03/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				the customer was overcharged by R146.75.	methodology for residential properties with flats, specifically regarding the application of per-bin charges.								
27	COAF 019	SCM	Commitments - Inaccurate amount recorded	Commitments were identified to have been inaccurately calculated in the commitments register as follows	The cause was due to management incorrectly allocating payments made to suppliers for services rendered, therefore	Internal control deficiency	Management should ensure that adequate reviews are performed on the Commitments Register and the inputs in the calculation relating to the contract value, payments	Compare commitments Register to WIP and Retentions Registers		15/08/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
					resulting in an inaccurate balance		made to suppliers and variation orders have been accurately recorded						
28	COAF 020	Contingent liabilities	Non-submission of information requested	During the contingent liabilities testing, the auditors were unable to obtain third party confirmation	Lack of management oversight when reviewing financial statements.	Internal control deficiency	Management should ensure that legal case information disclosed in the financial statements is regularly updated with the latest information from the legal department/lawyers of the municipality.	1. Review Contingent register with Lawyer reports on a monthly basis		15/08/2026	Executive Services	N Mbende	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
29	COAF 021	Contingent liabilities	Accuracy and completeness - Contingent liabilities	During the contingent liabilities testing, it was noted that a different amount was confirmed by the lawyers. The details of the affected litigation cases are as follows: Details as per the Contingent Liability Register as at 30 June 2025 No Description of the matter Nature of claim Amount claimed Status Amounts as per AFS note Audited amount (From Lawyer confirmation) Misstatement 1 Konstruct SGN (Pty) Ltd Case no: 3400/2019 Civil claim for outstanding payment. R603 670,30 plus legal costs Pending R603 670,30 R10 832,00 R592 838,30 During the contingent liabilities testing, it was noted that there are legal cases confirmed by the lawyers but are not included in the contingent liability register and are not disclosed in the financial statements.	Lack of management oversight when reviewing financial statements.	Internal control deficiency	Management should ensure that legal case information disclosed in the financial statements is regularly updated with the latest information from the legal department/lawyers of the municipality.	1. Review Contingent register with Lawyer reports on a monthly basis		15/08/2026	Executive Services	N Mbende	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				The details of the affected legal cases are as follows: Information per the confirmation letters No Attorney name Matter and file Name Date Case Number Case states Amount 1 Mabece Tilana Incorporated Amahlathi Local Municipality vs LM Developments (Pty) Ltd Not stated Not stated The matter is on discovery stage. R868 885,29 2 MSZ Attorneys Incorporated Amahlathi Municipality vs Cockered Electrical 30/04/2025 Not stated Recently received judgement from court in favour of client and awaiting further instructions. R107 186,25 3 MSZ Attorneys Incorporated Naniswa Trading vs Amahlathi Municipality 29/11/2024 Not stated Matter is in prelitigation: letter of demand has been served but no summons received as yet. Awaiting action from opponents R41 793,75 R1 017 865,29									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
30	COAF 022	Cash and cash equivalents	Reconciliation	It was identified that on note 6 of the financial statements that there is a difference between the bank statement balance and cash book balance for the FNB primary bank account 53813535227 and cashbook. Traced the amounts to the bank reconciliation and noted that the reason for the difference identified was not included, thus an understatement misstatement is noted: FNB primary bank balance TB/ cashbook balance Variance 53813535227 867 393 557349 310 044	This is due to lack of management due care in preparation of the annual financial statements, such that the note of cash and cash equivalents is not accurately disclosed.	Internal control deficiency	Management should exercise due care and ensure that the annual financial statements balances notes are fairly presented and all the information that should be disclosed is included in the note.	1. Bank Reconciliations must be performed on a monthly basis. 2. Accurately review Bank Reconciliations		31/03/ 2026	Budget and Treasury	B Ngwendu	
31	COAF 023	Purchases and Payables	1. Expenditure – Payments not made within the prescribed 30 days after the receipt of	Supplier invoices were not paid within 30 days from date of receipt of the invoices, refer to the tables below for details	This is due to management lack of oversight in ensuring that	Non-compliance	Before undertaking any procurement processes the municipality must first confirm that	In instances, where supplier invoices will not be paid within 30 days,		30/06/ 2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
			the invoice from suppliers.		invoices are paid within the legislated 30 days		sufficient funds have been allocated and cash is available for the procurement of the required goods, works or services. This must be confirmed in writing by the Chief Financial Officer. If this is not confirmed, then no orders must be placed, or no such procurement must be allowed to proceed. Accordingly,	contact suppliers and make relevant payment arrangements					

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
							it is incumbent on the accounting officer, chief financial officer and head of procurement to ensure municipal officials are aware of the control measures and service providers informed before any orders are placed or approved						
32	COAF 023	SCM	2. Fruitless and wasteful expenditure - Reasonable steps were not taken to	During the audit of fruitless and wasteful expenditure as disclosed under note 52 of the financial statements, it was identified that the municipality incurred interest on overdue accounts in 2024/25 and 2023/24 amounting to R4 182	The cause of the finding is due to management oversight	Material Non-compliance	Management should put controls in place to ensure fruitless and wasteful	Management must put controls in place to ensure fruitless and		30/06/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
			prevent fruitless and wasteful expenditure	398 and R10 680 148 respectively.	in preventing the re-occurrence of fruitless and wasteful expenditure in the current year.		expenditure is prevented	wasteful expenditure is prevented					
33	COAF 023	Budget	2. Budget Management	The municipality did not appropriately budget for the 2024/25 financial year as evidenced by the second letter from National Treasury indicating that its budget is unfunded dated 08 November 2024 from the Acting Deputy Director General Intergovernmental relations. Furthermore, an unfunded budget is indicative that the municipality will experience cash flow challenges during the year contributing to a transgression of the legal prescripts for payments to	The cause of the finding is due to management oversight in ensuring that the budget approved by the council and submitted to	Non-compliance	Management should ensure adequate controls are in place to prepare a budget that has realistic revenue projections based on realistic anticipated revenues collected and implement	Management must ensure adequate controls are in place to prepare a budget that has realistic revenue projections based on realistic anticipated		31/03/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				creditors within 30 days as per MFMA section 65 (2)(e). The municipality, by not paying its bulk suppliers, is placing the financial viability of large state-owned enterprises at risk.	treasury shows realistic or realisable revenue collection strategy.		strategies on the funding strategy, including other forms of revenue generation strategies to address current or future unfunded budgets.	revenues collected and implement strategies on the funding strategy, including other forms of revenue generation strategies to address current or future unfunded budgets.					

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
34	COAF 024	Purchases and Payables	Trade payables differences	For the 2024/25 financial period, a discrepancy was identified between the trade payables balance per the age analysis and the creditors statements. The identified difference is demonstrated below: Supplier Amount per age analysis Amount per creditors statement Difference Special Investigation Unit 10 537 432.33 12 241 389 (1 703 957) Department of labour 8 026 968.75 8 610 800 (583 831) Salga 3 280 394.20 4 904 506 (1 624 111)	This is caused by incorrect recording of the creditors balance as at year end.	Misstatements in financial statements	Management should record the creditor's balance at year end based on the invoices raised to reflect the balance as per supplier statements.	1. Creditors Reconciliations must be performed on a monthly basis. 2. Accurately review Creditors' Reconciliations		31/03/2026	Budget and Treasury	B Ngwendu	
35	COAF 026	Contingent liabilities	Accuracy and completeness - Contingent liabilities	During the contingent liabilities testing, it was noted that a different amount was confirmed by the lawyers and legal supporting documents. The details of the affected litigation cases are as follows: Details as per the Contingent Liability Register as at 30 June	Lack of management oversight when reviewing financial statements.	Misstatements in financial statements	Management should ensure that legal case information disclosed in the financial statements is regularly	1. Review Contingent register with Lawyer reports on a monthly basis		15/08/2026	Executive Services	N Mbende	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				2025 Audited amount (From lawyers and Supporting documents) Misstatement No Description of the matter Nature of claim Amount claimed Status Amounts as per AFS note 1 Vocketodt electrical Case no: 02/2023 Claim for outstanding payment. R17 085,90 plus legal cost Pending - awaiting judgement R17 085,90 R0,00 No other document submitted. R17 085,90 2 Konstruct SGN (Pty) Ltd Case no: 3400/2019 Civil claim for outstanding payment. R603 670,30 plus legal costs Pending R603 670,30 R10 832,00 R592 838,30			updated with the latest information from the legal department/lawyers of the municipality.						
36	COAF 027	AFS	Unauthorised Expenditure Schedule	1. During the audit, it was noted that the unauthorized expenditure schedule submitted for an audit has been added incorrectly. The incorrect calculation of the difference arises from the BTO (Budget	• The cause was due to incorrect calculation of the	Internal control deficiency	Management should ensure that adequate reviews are performed on the	1. Adequate time for the reviewal of Annual Financial		18-Jul-26	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				and Treasury Office) vote. The details of the calculations are as follows: Unauthorized Expenditure schedule as at 30 June 2025 Row Labels Sum of 2025 Sum of Budget Sum of Difference AGSA Recalculation Difference (F-D) 0 - - - Budget and Treasury Office 50 619 862,00 37 887 627,00 12 113 235,15 12 732 235,00 618 999,85 Community Services 33 102 470,00 30 183 931,00 2 918 539,59 2 918 539,00 - 0,59 Corporate Services 29 081 830,00 29 084 689,00 - 2 858,51 - 2 859,00 - 0,49 Engineering Services 127 009 889,00 123 630 742,00 3 379 147,24 3 379 147,00 - 0,24 Executive Services 68 935 743,00 68 937	difference in the BTO (Budget and Treasury Office) vote. • The lack of proper review of the unauthorized expenditure schedule.		schedules and AFS Notes disclosure(s) affected.	Statements to Lead Schedules and supporting documents with sign-off. 2. Submission of AFS to Internal Audit for review. 3. Allow sufficient time to for Reviewal AFS in the Audit Plan					

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				027,00 - 1 283,76 - 1 284,00 - 0,24 Planning and Development 8 579 544,00 8 579 776,00 - 231,65 - 232,00 - 0,35 317 329 338,00 298 303 792,00 18 406 548,06 19 025 546,00 2. During the audit, it was noted that the unauthorized expenditure disclosed in the AFS Note 51 does not agree with the unauthorized expenditure recorded in the schedule. The breakdown of the difference is as follows: Schedule AFS Misstatement Difference between the Schedule and AFS note R180 309 440,06 R180 313 814,00 - R4 373,94 - Opening balance R161 902 892,00 R161 902 892,00 - Expenditure incurred during the year R18 406 548,06 R18 410 922,00									

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
37	COAF 027	AFS	Incorrect Narration disclosed on the Note 51	During the audit, it was noted that in the unauthorized expenditure note (AFS Note 51) the following narration has been disclosed: "Unauthorised expenditure comprises over expenditure on non-cash items depreciation, impairment loss and debt impairment." Through inspection of the Statement of Budget and Actual we noted that the narration disclosed in the note is incorrect as expenditure items with actual above budget expenditure included both cash and non-cash items. Below is the list of expenditure items that have actual expenditure above budget: • Depreciation and amortisation • Impairment loss/ Reversal of impairments • Debt Impairment • Loss on disposal of assets	• The lack of proper review of the unauthorized expenditure schedule in conjunction with the statement of budget and actual.	Internal control deficiency	management should ensure that every narrative disclosed in the AFS is accurate, complete and valid.	1. Adequate time for the reviewal of Annual Financial Statements Note disclosure. 2. Submission of AFS to Internal Audit for review. 3. Allow sufficient time to for Reviewal AFS in the Audit Plan		18-Jul-26	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
				• Finance costs • Bulk purchases • Operational costs									
38	COAF 029	Consequence Management	1. Investigation of prior year unauthorised expenditure	Through the audit of the Unauthorised expenditure disclosure note 51 in the 2024/25 financial statements it was noted that "All cases of unauthorised expenditure are currently under investigation". However, through the inspection of the submitted MPAC Reports, confirmed that no investigations or disciplinary action that took place with regards to the prior years unauthorised expenditure of R161 902 892.	The cause of the issue is lack of implementation of consequence management policy and adherence to requirements of section 32(2)(a) of MFMA.	Non-compliance	Management should take appropriate steps to promptly investigate any identified unauthorized expenditure, enabling its recovery or, if deemed irrecoverable, obtaining council approval for a write-off.	1. Budget Division must prepare an item for Council. Item should include supporting documents for the total unauthorised expenditure incurred to date.		31/03/2026	Budget and Treasury	B Ngwendu	

No.	COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Responsible Director	Status
39	COAF 029	Consequence Management	2. Investigation of prior year irregular expenditure	The MPAC reports relating 2023/24 Irregular Expenditure does not include an investigation on the irregular expenditure incurred for the following supplier: Supplier name Amount Peugair CC R94 544	The cause of the issue is lack of implementation of consequence management policy and adherence to requirements of section 32(2)(b) of MFMA.	Non-compliance	Management should take appropriate steps to promptly investigate any identified unauthorized expenditure, enabling its recovery or, if deemed irrecoverable, obtaining council approval for a write-off.	1. SCM Division must prepare an item for Council. Item should include supporting documents of all irregular expenditure incurred to date.		31/03/2026	Budget and Treasury	B Ngwendu	

REPORT OF THE AUDIT COMMITTEE

1. PURPOSE
The function of the Audit Committee and performance (herein referred to as the Committee) is primarily to assist the Amahlathi Municipality (hereinafter referred to as the Council) in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes, performance information and the preparation of financial reports and statements.

2. LEGAL / STATUTORY REQUIREMENTS
The Committee operates in terms of Section 166 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003 and has endeavoured to comply with its responsibilities arising from those requirements. Other pieces of legislation that regulates the functions of the Committee are:-

- Municipal Structures Act
- Municipal Systems Act 32 of 2000

3. BACKGROUND
An audit committee is an independent advisory body which must sit at least four times a year in order to perform the following duties:

1. Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to—
    a) internal financial control and internal audits.
    b) risk management.
    c) accounting policies.
    d) the adequacy, reliability and accuracy of financial reporting and information.
    e) performance management.
    f) effective governance.
    g) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation.
    h) performance evaluation; and
    i) any other issues referred to it by the municipality or municipal entity.
2. Review the annual financial statements to provide the council of the municipality or, in the case of a municipal entity, the council of the parent municipality and the board of directors of the entity, with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
3. Respond to the council on any issues raised by the Auditor-General in the audit report.
4. Carry out such investigations into the financial affairs of the municipality or municipal entity as the council of the municipality, or in the case of a municipal entity, the council of the parent municipality or the board of directors of the entity, may request; and
5. Perform such other functions as may be prescribed.

4. AUDIT COMMITTEE MEMBERS AND ATTENDANCE
The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference.
In terms of the Audit Committee Charter, the committee should consist of a minimum of 3 members.

During 2024/25 financial year, the AC held 6 meetings, 4 Ordinary AC and 2 Special AC Meetings.

Name of Member	Number of Ordinary Meetings Attended	Number of Special AC meetings attended
Ms L. Smith - AC Chairperson	4	4
Ms N. Mabuza – Hermanus	4	4

Mr M. Mdani	3	4
Mr M. Manxiwa	4	4

The Audit Committee meetings are attended by the Municipal Manager, Section 56 Managers, General Manager, Legal Manager, Internal Auditors, External auditors and other relevant stakeholders.

Auditor-General SA, COGTA, ADM and Provincial Treasury have standing invitation to attend AC Meetings.

5. EFFECTIVENESS OF INTERNAL CONTROLS

Audit Committee has assessed the internal controls for the municipality through a review of Internal Audit reports and close monitoring on implementation of 2024/25 Approved Risk- Based Internal Audit Plan.

6. RISK MANAGEMENT REPORTS

Risk Management Reports were discussed during Risk Committee meetings and were standing item in Audit Committee Meetings.
Chairperson of the Risk Committee / Municipal Manager / his delegate presented the reports to the Audit Committee.

Implementation of risk action plans was monitored and assessed by Internal Audit.

7. REVIEW OF ANNUAL FINANCIAL STATEMENTS

- 2023/24 Annual Financial Statements were reviewed by both Audit Committee and Internal Audit and submitted to Council in August 2024.
- 2023/24 Interim Annual Financial Statements as at 31 December 2023 were also reviewed by both AC and Internal Audit.

8. PERFORMANCE MANAGEMENT

• 2023/24 Annual Performance was reviewed by both Audit Committee and Internal Audit and submitted to Council in August 2024.

- 2023/24 Mid-Term Performance as at 31 December 2024 was also reviewed by both AC and Internal Audit and tabled to Council.
- All Quarterly Performance reports are reviewed by AC and Internal Audit and submitted to Council.
- It was noted that the Municipality has not fully implemented the Performance Management System.

9. FOLLOW-UP ON AG ACTION PLANS

Management reports quarterly on the implementation of AG Action Plans.
Action plans as at 30 June 2024 were submitted to Internal Audit for review.

10. FOLLOW-UP ON IA ACTION PLANS

The internal audit function conducted follow up audits to review the status of the implementation of the internal audit recommendation in audits carried out in 2023/24 financial year. The implementation status is summarized below:

Name of the audit	Number of Internal audit Recommendations	Percentage recommendations implemented	Percentage recommendations the implementation is in progress	Percentage of recommendations not yet implemented

Revenue Management Review	15	0%	53.33%	46.67%
Human resources Management Review	30	56.67%	23.33	20%
Property Plant and Equipment	3	33.33%	33.33%	33.33%

The implementation status of the majority of the recommendations made by the internal audit function were in progress during the 2024/25 financial year. Further, based on the implementation status, there is a room for improvement in the implementation of the internal audit recommendations.

11. REVIEW OF MANAGEMENT REPORTS

Audit Committee has reviewed the following Management Reports which are standing items on the Audit Committee Agenda.

7.1 ICT Performance Report
7.2 Legal Matters
7.3 Finance Reports
7.4 Performance Reports
7.5 Report on the filing of critical vacant and funded posts

No emerging risks or new areas of concern or challenges that the AC would like to highlight for the Council in relation to the listed management reports.

12. OVERALL CHALLENGES RELATING TO INTERNAL AUDIT UNIT

The following challenges have been noted impacting on performance of Internal Audit as well as Audit Committee.

- Lack of office spaces for officials since the offices burnt during the October 2018 community protests.
- The Municipality does not have Risk Management Unit or Risk Management Personnel, risk management activities are performed by Internal Auditors.
- Lack of adequate tools of trade for internal audit function.
- Lack of funding for internal auditors to attend continuous professional development trainings.
- Lack of financial resources to develop business continuity plans.
- Lack of timely responses to internal audit requests for information

There is a sound and professional relationship between the Audit Committee and the Office of the Auditor General to ensure compliance.

CHAPTER 7 APPENDICES

APPENDIX A: COUNCILLORS; COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

Council Members	25-Jul 2024	15-Aug 2024	29-Aug 2024	30-Oct2024	12-Dec 2024	23- Jan 2025	26- Feb 2025	27-Mar2025	24-Apr 2025	29-May 2025	26-June 2025	no of meetings	percentage % of council meetings	percentage apologies for non	percentage absenteeism
1. Cllr. Nomakhosazana Nongqayi	P	P	P	P	P	P	P	P	P	P	P	11	100	0	0
2. Cllr. Nokuzola Mlahleki	P	P	P	P	P	P	P	P	P	P	P	11	100	0	0
3. Cllr. Onke Mgunculu	P	P	P	APOLOGY	P	APOLOGY	P	P	APOLOGY	P	APOLOGY	11	64	36	0
4. Cllr. Pateka Qaba	P	P	p	P	P	P	P	P	P	P	P	11	100	0	0
5. Cllr. Nobathembu Manyika	P	P	P	P	APOLOGY	P	LEAVE	ABSENT	APOLOGY	APOLOGY	ABSENT	11	46	36	18
6. Cllr.Xola Moses Tokwe	P	P	P	P	P	P	P	P	P	P	P	11	100	0	0
7. Cllr. Busisa Xongwana	P	P	p	P	P	P	P	P	P	P	P	11	100	0	0
8. Cllr. Thamsanqa Balindlela	P	P	P	P	P	APOLOGY	P					7	85	15	0
9. Cllr. Phakama Bedaze	P	P	P	P	P	P	P	P	P	P	P	11	100	0	0

10. Cllr. Patience Nomonde Onceya-Sauti	P	P	P	P	P	P	P	ABSENT	ABSENT	P	ABSENT	11	73	0	27
11. Cllr. Ntombizonke Vivian Mjandana	P	ABSENT	P	P	ABSENT	P	APOLOGY	APOLOGY	P	P	P	11	64	18	18
12. Cllr.Moslina Nqini	P	P	P	P	P	P	P	P	P	P	P	11	100	0	0
13. Cllr. Nicholas Ncevu	P	P	APOLOGY	P	P	P	P	P	P	APOLOGY	P	11	82	18	0
14. Cllr.Nosipho Mkiva	P	P	P	P	P	P	APOLOGY	P	P	P	P	11	91	9	0
15. Cllr.Zukisa Anda Qonto	P	P	P	P	P	P	P	P	ABSENT	P	P	11	91	9	0
16.Cllr. Nontembiso Nyangwa	ABSENT	APOLOHY	P	ABSENT	P	P	P	APOLOGY	P	P	APOLOGY	11	55	27	18
17. Cllr. Nonkanyiso Charlie	P	P	P	P	P	APOLOGY	P	P	P	APOLOGY	P	11	82	18	0
18. Cllr.Mandlenkosi Busakwe	P	P	P	P	ABSENT	P	APOLOGY	P	P	P	P	11	82	9	9
19. Cllr. Xoliswa Neti	P	P	P	P	P	P	APOLOGY	P	P	APOLOGY	P	11	82	18	0
20. Cllr. Mbeko Neku	P	P	P	P	P	P	P	APOLOGY	P	P	ABSENT	11	82	9	9
21. Cllr. Sizeka Mqwebedu – Matini	P	P	ABSENT	P	P	ABSENT	P	P	ABSENT	P	P	11	73	0	27
22. Cllr. Phathuxolo Able Simandla	ABSENT	ABSENT	P	APOLOGY	P	P	ABSENT	P	P	P	APOLOGY	11	55	18	27

23. Cllr. Melikaya Maweni	P	P	P	P	P	P	P	P	P	P	P	11	100	0	0
24. Cllr. Nomfuneko Salaze	P	P	P	P	P	P	P	P	P	P	P	11	100	0	0
25. Cllr. Nomvuyo Zelna Klaas	APOLOGY	ABSENT	P	APOLOGY	P	APOLOGY	P	APOLOGY	P	P	APOLOGY	11	46	45	9
26. Cllr. Richard Brennand Pickering	P	P	P	P	P	P	P	P	P	P	P	11	100	0	0
27. Cllr. Ndileka Ngxakangxaka	P	ABSENT	P	P	P	P	P	P	P	P	P	11	91	9	0
28. Cllr. Neliswa Magaret Mbulana	P	P	P	P	ABSENT	P	ABSENT	APOLOGY	P	P	ABSENT	11	64	27	9
29. Cllr. Masixole Gantsho	P	P	APOLOGY	P	ABSENT	APOLOGY	APOLOGY	APOLOGY	ABSENT	P	P	11	46	36	18
30.Cllr. Zani Ngozi	ABSENT	Absent	P	P	P	ABSENT	P	P	ABSENT	P	APOLOGY	11	55	9	36
31. Cllr. Zola Gavini	CLLR. GAVINI REPLACED CLLR. BALINDLELA							P	P	P	P	4	100	0	0
32. Traditional Leader: Mr. M. Ulana	ABSENT	ABSENT	ABSENT	ABSENT	P	ABSENT	ABSENT	P	ABSENT	ABSENT	ABSENT	11	18	0	82
33. Traditional Leader: Ms. P. Gaika	ABSENT	ABSENT	P	ABSENT	ABSENT	ABSENT	ABSENT	P	ABSENT	ABSENT	P	11	27	0	73

APPENDIX B: COUNCIL COMMITTEES (Other than Mayoral/ Executive Committee) and Purposes of the Committees

Municipal Committees	Purpose of Committee
Budget and Treasury	The purpose of the Budget and Treasury Standing Committee as a Section 79 Committee of Council is to:-
	Provide Political Leadership by being responsible for Policy outcomes, oversight and holds the Chief Financial Officer accountable for
	Performance by regular and consistent reporting to Council through the Committee.
Service Delivery	Report on Progress and Challenges on Capital Projects.
	Report on work done as per the Maintenance programme of Roads, also alerting the committee of the repairs done on Machinery
	That might have caused delays in the Programme.
	Challenges in the Department in General.
	Amount of Jobs created.
	The response time in repairing any complaints from the Community.
	Report on Budget Expenditure.
Development and Planning	To create a conducive environment for business to invest at Amahlathi area.
	To encourage business to create jobs in order to reduce unemployment.
	To promote SMME's and co-operatives within Amahlathi.
	To promote tourism as a vehicle for Job creation within Amahlathi.
	To support emerging farmers that are within Amahlathi and link them with business in order to sell their products.
Community Services	To provide accessible, affordable, equitable and sustainable service as well as a healthy environment to residents and business operating in the Amahlathi Local Municipality.
	To contribute towards a safe and secure environment.

Municipal Committees	Purpose of Committee
	To promote a clean and healthy environment.
	To promote a culture of reading and learning.
	To ensure that Public Amenities are improved and well managed.
Corporate Services	To oversee the proper, efficient and effective operations of Human Resources and Administration Department.
	To ensure that Policy Formulation and recommendation from both Sections are in line with vision and mission of the municipality as well as
	Compliant with National and Provincial Legislation.
	To represent employer component in Provincial Institution Cluster of SALGA, Amathole District Municipality
	To champion good working relations between the employer and employee component of the municipality.
	To ensure that Departmental goals and Departmental Budget are aligned.
	To devise programs for imparting of skills to Stakeholders within the municipal area.
	To oversee that proper employment procedures are undertaken without disadvantaging anyone.

APPENDIX C: THIRD TIER STRUCTURE

Third Tier Structure	
Directorate	**Director/Manager (State title and name)**
EXECUTIVE SERVICES	DR. Z. SHASHA
BUDGET AND TREASURY OFFICE	MS. B. NGWENDU
CORPORATE SERVICES DEPARTMENT	MS. N. NQULO
ENGINEERING SERVICES DEPARTMENT	MS. N. DLOVA
COMMUNITY SERVICES DEPARTMENT	MS. A. NOHOLOZA
PLANNING AND DEVELOPMENT DEPARTMENT	MR. S. MNWEBA
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).	*T C*

APPENDIX D: FUNCTIONS AND POWERS

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	No
Building regulations	Yes	Yes
Childcare facilities	Yes	No
Electricity and gas reticulation	Yes	Yes
Firefighting services	Yes	Yes
Local tourism	Yes	Yes
Municipal airports	No	No
Municipal planning	Yes	Yes
Municipal health services	No	No
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Storm water management systems in built-up areas	Yes	Yes
Trading regulations	Yes	Yes
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	No	No
Beaches and amusement facilities	Yes	No
Billboards and the display of advertisements in public places	Yes	Yes
Cemeteries, funeral parlours and crematoria	Yes	Yes
Cleansing	Yes	No
Control of public nuisances	Yes	Yes
Control of undertakings that sell liquor to the public	Yes	Yes
Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	No
Licensing of dogs	Yes	No
Licensing and control of undertakings that sell food to the public	Yes	Yes
Local amenities	Yes	No
Local sport facilities	Yes	Yes
Markets	Yes	Yes
Municipal abattoirs	Yes	No
Municipal parks and recreation	Yes	Yes
Municipal roads	Yes	Yes

Noise pollution	Yes	No
Pounds	Yes	No
Public places	Yes	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes	Yes
Street trading	Yes	Yes
Street lighting	Yes	Yes
Traffic and parking	Yes	Yes
***If municipality: indicate (yes or No); * If entity: Provide name of entity**		

APPENDIX E: WARD REPORTING

Ward Name (Number)	Name of Ward Councillor and elected Ward Committees 2023-2024	Name of Ward Councillor and elected Ward Committees June 2024-2025	Committee established (Yes /NO)	Number of Committee meetings held during the year	Number of quarterly reports submitted to the Speaker on time	Number of quarterly public meeting held during year
WARD 1	Cllr N.Mkiva 1.Phila Zini 2.Sandla Soka 3.David Nkosinathi Mzili 4.Loyiso Bazi 5.Yoliswa Fikelepi 6.Noluthando Gwane 7.Nosibusiso Vumindaba 8.Ovayo Ndlangalavu 9.Sandisiwe Nzwanana 10.Thembakazi Gege	Cllr N.Mkiva 1.Phila Zini 2.Sandla Soka 3.David Nkosinathi Mzili 4.Loyiso Bazi 5.Fikiswa Lugwali 6.Noluthando Gwane 7.Nosibusiso Vumindaba 8.Ovayo Ndlangalavu 9.Sandisiwe Nzwanana 10.Thulani Magingxa	YES	10	4	4
WARD 2	Cllr Z.Qonto 1.Khanyisa Khumbaca 2.Nobesuthu Zolidayi 3.Nomalulama Manyika 4.Sophumelela Mfecane 5.Gcobani Matutu 6.Simphiwe Kulati 7.Aviwe Rolisisu 8.Kwakhanya Mpange 9.Mongameli Rode 10.Athenkosi Ganjana	Cllr Z.Qonto 1.Khanyisa Khumbaca 2.Nobesuthu Zolidayi 3.Nomalulama Manyika 4.Sophumelela Mfecane 5.Gcobani Matutu 6.Simphiwe Kulati 7.Aviwe Rolisisu 8.Kwakhanya Mpange 9.Mongameli Rode 10.Athenkosi Ganjana	YES	10	4	4
WARD 3	Cllr N.Nyangwa 1.Ayanda Faniso 2.Thozama Sweetness Mhluzi 3.Nompumezo Socishe 4.Nomakholwa Petronela Zotsha 5.Kwandiwe Gida 6.Zimasa Mti 7.Mfuyo Jumba 8.Nkosabantu Busika 9.Nandipha Sweetness Nyovane 10.Luleka Nonzame Matso Yiyane	Cllr N.Nyangwa 1.Ayanda Faniso 2.Thozama Sweetness Mhluzi 3.Nompumezo Socishe 4.Nomakholwa Petronela Zotsha 5.Thembisa Gida 6.Zimasa Mti 7.Mfuyo Jumba 8.Nkosabantu Busika 9.Nandipha Sweetness Nyovane 10.Luleka Nonzame Matsoyiyane	YES	10	4	4
WARD 4	Cllr N.Charlie 1.Nocwaka Nonyongo 2.Bongeka Phendu 3.Wandile Lalo	Cllr N.Charlie 1.Nocwaka Nonyongo 2.Bongeka Phendu 3.Wandile Lalo	YES	10	4	4

	4.Thobela Qoto 5.Yongama Feni 6.Sibusiso Nojoko 7.Melikhaya Nqaba 8.Kholiwe Mabunzane 9.Thabiso Mohautse 10.Wanga Lihleli Dlai	4.Thobela Qoto 5.Yongama Feni 6.Sibusiso Nojoko 7.Melikhaya Nqaba 8.Kholiwe Mabunzane 9.Thabiso Mohautse 10.Wanga Lihleli Dlai				
WARD 5	Cllr N.Klaas 1.Thobeka Mevi 2.Dumisa Khepu 3.Mninawa Richard Mbolekwa 4.Yoliswa Mancam 5.Zukile Tadeus Madolwana 6.Mlindeli Thandiwe 7.Ntombekhanyo Rululu 8.Sihle mpahla 9.Zinzi Ngalo 10.Nomakhosazana Sili	Cllr N.Klaas 1.Thobeka Mevi 2.Dumisa Khepu 3.Mninawa Richard Mbolekwa 4.Yoliswa Mancam 5.Zukile Tadeus Madolwana 6.Makuthulwe Gerrard Vellem 7.Ntombekhanyo Rululu 8.Sihle mpahla 9.Zinzi Ngalo	YES	10	4	4
WARD 6	Cllr M.Busakwe 1.Zimasa Patricia Sokuyeka 2.Lukhanyo Jaji 3.Ntombekhaya Manoni 4.Marlon Curtis Jacobs 5.Gavin Ignatius Jacobs 6.Nontekelelo Josephine Xinxiwe 7.Ntomboxolo Gqwaka 8.Gudiswa Matomela 9.Zoliswa Mpangise 10.Zukiswa Jongilanga	Cllr M.Busakwe 1.Lukhanyo Jaji 2.Ntombekhaya Manoni 3.Marlon Curtis Jacobs 4.Gavin Ignatius Jacobs 5.Nontekelelo Josephine Xinxiwe 6.Ntomboxolo Gqwaka 7.Gudiswa Matomela 8.Zoliswa Mpangise 9.Zukiswa Jongilanga	YES	10	4	4
WARD 7	Cllr Z.Mfulana 1.Akhona Geza 2.Babalwa Bhuqekile 3.Fundile Gebe 4.Nozipho Manyonga 5.Phumza Jaji 6.Zuziwe Lwana 7.Neliswa Nyhwagi 8.Mandilakhe Ngcukana 9.Sondezwa Mxayiya 10.Zoleka Mabetha	Cllr Z.Ngozi 1.Akhona Geza 2.Babalwa Bhuqekile 3.Fundile Gebe 4.Nozipho Manyonga 5.Phumza Jaji 6.Zuziwe Lwana 7.Neliswa Nyhwagi 8.Mandilakhe Ngcukana 9.Sondezwa Mxayiya 10.Zoleka Mabetha	YES	10	4	4
WARD 8	Cllr X.Neti 1.Bulelwa Tela 2.Sydney Mbekeni 3.Londozwa Lillian Cengani 4.Nelson Kondile 5.Thobeka Veronica Songololo 6.Nomasixole Ngangelizwe 7.Nosiphiwo Mvolontshi 8.Bayanda Mketshana	Cllr X.Neti 1.Bulelwa Tela 2.Sydney Mbekeni 3.Londozwa Lillian Cengani 4.Nelson Kondile 5.Thobeka Veronica Songololo	YES	8	4	4

		6.Nomasixole Ngangelizwe 7.Nosiphiwo Mvolontshi 8.Bayanda Mketshana				
WARD 9	Cllr M.Nqini 1.Nonkosi Sibawu 2.Thozama Dyosi 3.Zukisani Tshudu 4.Veliswa Lwana 5.Xolani Mpingelo 6.Ziyanda Butsha Sinyamb a 7.Nandipha Maneli 8.Busisiwe Miranda Mzondi 9.Zoleka Mbekeni 10.Zameka Sotyantsi	Cllr M.Nqini 1.Nonkosi Sibawu 2.Thozama Dyosi 3.Zukisani Tshudu 4.Veliswa Lwana 5.Xolani Mpingelo 6.Ziyanda Butsha Sinyamba 7.Nandipha Maneli 8.Busisiwe Miranda Mzondi 9.Zoleka Mbekeni 10.Zameka Sotyantsi	YES	10	4	4
WARD 10	Cllr M Neku 1.Simphiwe Majiki 2.Sinoxolo Wilberforce Dya ntyi 3.Bukelwa Sooi 4.Buntu Masonwabe Mpondo 5.Thabisa Mhlahlo 6.Nomalizo Mkhefe 7.Phumzile Mbaza 8.Mamela Makhongolo 9.Nomfusi Sthetho 10.Siphamandla Qaba	Cllr M Neku 1.Simphiwe Majiki 2.Sinoxolo Wilberforce Dyantyi 3.Bukelwa Sooi 4.Buntu Masonwabe Mpondo 5.Thabisa Mhlahlo 6.Nomalizo Mkhefe 7.Phumzile Mbaza 8.Mamela Makhong 9.Siphamandla Qaba	YES	10	4	4
WARD 11	Cllr N.Sidinana 1.Cordelia Nosipho 2.Makuzeni 3.Mhleli Hejane 4.Mazande Ndesi 5.Cornia Nontando Kasba 6.Nomsebenzi Gloria Lantu 7.Zamekile Blom Simon Feni 8.Yandiswa Ngemntu 9.Nozuko Ngamlana 10.Thandiwe Virginia Mag Waca	Cllr S.Mqwebedu-Matini 1.Cordelia Nosipho.Makuzeni 2. Luyanda Mbuqwa 3.Cornia Nontando Kasba 4.Nomsebenzi Gloria Lantu 5.Yandiswa Ngemntu 6.Nozuko Ngamlana 7.Thandiwe Virginia Magwaca. 8. Loraine Nomzamo Mtyi 9. Ntsikane Mesele 10.. Pelisa Xamtwana	YES	10	4	4
WARD 12	Cllr P.Simandla 1.Khanyiswa Mazosiwe 2.Anele Tole 3.Mandla Victor Mditshwa 4.Norah Ntshanta 5.Thembelani Makisi 6.Velisani Dumezweni	Cllr P.Simandla 1.Aviwe Mbekeni 2. Sibulele Gede 3. Thando Loliwe 4.Norah Ntshanta 5.Velisani Dumezweni	YES	10	4	4

	7.Charles Sibuyile Maqaqa 8.Nopinki Gloria Skeyi 9.Yandiswa Mhanya 10.Thozamile Ascension K Humbaca	6.Charles Sibuyile Maqaqa 7.Nopinki Gloria Skeyi 8.Yandiswa Mhanya 9. Loyiso Pheme 10. Simphiwe Mangxola				
WARD 13	Cllr N.Ncevu 1.Sivuyile Cetwayo 2.Monde Mzimba 3.Lindelwa Mbandezi 4.Sipho Patric Ntuthu 5.Bonelwa Nikani 6.Yandiswa Thembani-Siswana 7.Vuyelwa Veronica Nyamakazi 8.Vuyo Jakuja 9.Akhona Sontaba 10.Melikhaya Gladman Go Niwe	Cllr N.Ncevu 1.Sivuyile Cetwayo 2.Lindelwa Mbandezi 3.Sipho Patric Ntuthu 4.Bonelwa Nikani 5.Yandiswa Thembani-Siswana 6.Vuyelwa Veronica Nyamakazi 7.Vuyo Jakuja 8.Akhona Sontaba 9.Melikhaya Gladman Goniwe	YES	10	4	4
WARD 14	Cllr M.Maweni 1.Caciswa Portia Mjali 2.Zandile Mavela 3.Mangaliso Bhatayi 4.Thembile David Tyelento mbi 5.Siphokazi Sinoxolo Hlanganise 6.Desmond Dyosi 7.Luxolo Magalela 8.Nomthandazo Mbolani 9.Fundiswa Patricia Sofatsha 10.Zukiswa Silere	Cllr M.Maweni 1.Caciswa Portia Mjali 2.Zandile Mavela 3.Mangaliso Bhatayi 4.Thembile David Tyelentombi 5.Siphokazi Sinoxolo Hlanganise 6.Desmond Dyosi 7.Luxolo Magalela 8.Nomthandazo Mbolani 9.Fundiswa Patricia Sofatsha	YES	9	4	4
WARD 15	Cllr N.Salaze 1.Luxolo Ncumani 2.Zola Gavini 3.Gcobani Gwebushe 4.Nobuntu Mbende 5.Thembisile Mavela 6.Babalwa Kwanini 7.Makhwenkwe Gwebani 8.Prince Qinga 9.Thembisa Nkangala 10.Nombulelo Mbekeni	Cllr N.Salaze 1.Luxolo Ncumani 2.Zola Gavini 3.Gcobani Gwebushe 4.Nobuntu Mbende 5.Thembisile Mavela 6.Babalwa Kwanini 7.Makhwenkwe Gwebani 8.Prince Qinga 9. Zolile Ntshoko 10.Nombulelo Mbekeni	YES	10	4	4

APPENDIX F: MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

2023/24 AUDIT COMMITTEE RESOLUTIONS					
Item #	**MATTERS RAISED**	**DATE OF AC MEETING**	**RESPONSIBILITY**	**Progress by Management as at 22 July 2025**	**IMPLEMENTATION DATE**
1	**Section 52D Reports - Employee Costs** AC recommended that the Municipality needs to cut costs in terms of employee costs. AC clarified the resolution relating to employee costs. AC suggested that the municipality should have a strategic plan in place regarding this matter which will indicate how much the municipality can afford and what actions the municipality will take to achieve that.	24 October 2023 25 July 2023	Director : Corporate Services / BTO	**In progress** Standardisation Reversal was implemented. Full assessment regarding the 40% will be conducted when the matter is finalised. There are still engagements between the Municipal Attorneys and the Legal Representatives of the employees in Court.	Not provided by Management

2	**Financial Recovery Plan (FRP) and Revenue Enhancement Strategy (RES)** Upon review of Internal Audit Reports relating to implementation of Financial Recovery Plan and Revenue Enhancement Strategy, Audit Committee recommended that Management must develop a plan to address POE challenges.	24 April 2024	Municipal Manager / CFO	Implemented	n/a
3	**Financial recovery plan and Revenue Enhancement Strategy** AC recommended that Management should look at consolidating the FRP and RES because they serve one purpose (Revenue Enhancement) and some activities are duplicated.	24 April 2024	Municipal Manager/ CFO	Implemented	n/a

4	**Staff seconded to IDP/PMS Office to be capacitated** AC recommended that the seconded staff members that are assisting at IDP/PMS Unit should be capacitated on the following areas: *Requirements of a good indicator *SMART Principles *4Es	25 July 2023	GM Director Corporate Services	Implemented	n/a

2024/25 AUDIT COMMITTEE RECOMENDATIONS					
Item #	**MATTERS RAISED**	**DATE OF AC MEETING**	**RESPONSIBILITY**	**Progress by management as at 22 July 2025**	**IMPLEMENTATION DATE**
1	**2025/26 IDP** AC recommended that there should be an executive summary on the IDP which will cover co-components of the IDP to give stakeholders an overview of the IDP.	25 June 2025	General Manger	**In progress** The inclusion of the executive summary on the IDP will be considered in the process of the 2025/26 financial year. The council has already adopted the IDP in line with components outlined in the legislation.	30 March 2026
2	**2024/25 Annual Performance Report Preparational Plan** AC recommended that the Annual Performance Report Preparational Plan should include a column for an official responsible for each Action/Progress made.	25 June 2025	General Manger	**Implemented.** The plan now indicates officials or unit that is responsible for each action.	21 July 2025

3	**2025/26 SDBIP** • AC Recommended that there should be additional KPI's to accommodate media and public participation. • AC recommended that there should be a budget per quarter to address the issue of efficiency. • AC noted that the target in row 62 of the SDBIP is not adequate it does not improve audit outcome or improve internal controls it should rather address the implementation of AC recommendation.	25 June 2025	General Manger	There are already two KPIs talking media and public participation. The matter was discussed in the meeting and clarified. The SDBIP is meant to be read together with the budget. The budget provides for monthly projections on expenditure. The section 71 report which is used to measure financial performance against the performance. In addition the section 52d reports reflect both financial and non-financial performance.	n/a
4	**Implementation of AGSA Audit Action Plan** AC recommended that all the actions needs to be implemented.	25 June 2025	CFO	The Audit Action is implemented and reported to Council committees on a quarterly basis.	18 August 2025
5	**MMs update - Vehicle Accidents** AC recommended that the municipality should conduct investigation for both accidents to determine whether there was any negligence, for example over speeding, drunken driving etc, then if so, the responsible people be liable to pay excess fee and be recorded as Fruitless and Wasteful expenditure.	22 April 2025	MM Director Corporate Services	**In progress** Accident Investigations are always conducted inclusive of the Police Report and Vehicle Management system report which checks speeding, etc. These are mandatory for insurance purposes as well, hence they are compulsory reports. With the new fleet management system that wil be installed with cameras, further investigations shall be accesible to the municipality	**In progress**

6	**Finance Reports - Section 52 D Report** AC recommended that the CFO should contact the Audit Committee Chairperson so that they can discuss way forward on how to make the Section 52D Reports user friendly for the Council and other non-financial users.	22 April 2025	CFO	**In progress** Not contacted the Chairperson yet, S52d is the compliance report written by National Treasury which it will be difficult to change the format.	Not provided
7	**Finance Reports - Implementation of SCM Policy** AC further recommended that the Deviation Register should include more detailed information on the column for reasons provided	22 April 2025	CFO	**In progress** BTO is busy analysis the deviation registers for completeness for 2024/25.	31 August 2025
8	**Performance Report** AC recommended that the quarterly performance report should be revised to indicate progress on implementation of targets that were previously reported as not achieved.	22 April 2025	General Manager	**In progress** The update on targets not achieved will be reported on in the first section of the report. The report of the 1st quarter 2025/26 will reflect on this.	31 October 2025
9	**Performance Information** AC recommended that for 2025/26 planning, the municipality should have column for quarterly budget and quarterly expenditure for each target.	22 April 2025	General Manager	The matter was discussed in the meeting and clarified. The SDBIP is meant to be read together with the budget. The budget provides for monthly projections on expenditure. The section 71 report which is used to measure financial performance against the performance. In addition the section 52d reports reflect both financial and non-financial performance.	n/a

10	**Follow up Audits** It was recommended that Register of Internal Audit findings should be a standing item on monthly Management Committee Meetings.	22 April 2025	MM	**Implemented** The internal audit manager sits on the management committee. The agenda of the meetings will accommodate the report.	n/a
11	**Finance Reports** It was resolved that CFO will prepare a proposal for a six-year arrangement with ESKOM to pay off the R35 million debt.	18 February 2025	CFO	This was not a resolution for the committee, this matter was an update on my report that we have already have an agreement with Eskom and payment arrangement are done, so I'm not sure why is recorded as resolution.	31 January 2025
12	**Finance Reports** The municipality needs to engage with the Provincial Treasurer to include the Office of the Premier in discussions regarding departments that owe money to the municipality.	18 February 2025	CFO	During the budget Assessment with PT , this matter was discussed and subsequent to that PT requested Age Analysis for Government Department as they had a session with CFO's. We have noticed a commitment of payments from other department except for Rural Department.	Not provided
13	**Finance Reports** Municipality need to also develop a payment plan for Auditor- General South Africa, Medical Aid and Pensions.	18 February 2025	CFO	The municipality is paying all its 3rd parties on monthly basis , we do not need a payment plan and also, we AGSA we have paid all the invoices.	Not provided

14	**Finance Reports** AC recommended that management should include more details on Property Rates and Service Charges to elaborate the differences.	18 February 2025	CFO	The recommendation is not clear. Information provided per the C4 scheduled should be increased. The information provided for property rates and services charges are as prescribed in terms of the C4 Schedule, no additional information can be provided Information relating to the reason for differences should be increased. More detail is required from the Audit Committee. The information provided per the narrative report are a summary of the reason for the variances (net effect). More detail could require differences per consumer category per service charge or per geographical area (town). Your assistance will be appreciated.	Not provided
15	**New traffic testing centres** AC recommended that there should be a development of targets relating to the two traffic testing centres that are opened.	22 January 2025	Director: Community Services	**Implemented** Traffic Services targets have been set under the KPA on MFV in the Financial improvement plan for **2025/26** financial year	n/a

16	**Quarter 1 Performance Management Report** AC recommended that management must schedule a date for the discussion of the report with the a specialised Audit Committee member. AC further recommended that the meeting should also discuss and resolve the disagreements in findings raised by the internal audit Unit	28 October 2024	General Manager/ Internal Audit Manager	Implemented	n/a
17	**Training of ICT Steering Committee** AC recommended for the date scheduling of training for the ICT Steering Committee	28 October 2024	Director : Corporate Services	Implemented	n/a

APPENDIX G: DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2024 to 30 June of Year 2025		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
(Executive) Mayor	Cllr N Nongqayi	Nil
Member of EXCO	Cllr. P Qaba	Nil
	Cllr. NP Mlahleki	Nil
	Cllr. B Xongwana	Nil
	Cllr. XM Tokwe	Nil
	Cllr. NA Kato-Manyika	Nil
	Cllr. RB. Pickering	Nil
Councillor	Cllr. ZA Qonto (MPAC Chair)	Nil
	Cllr. PM Onceya-Sauti	Nil
	Cllr. P Budaza	Nil
	Cllr. N Ngxakangxaka	Nil
	Cllr. RB Pickering	Nil
	Cllr. N Mbulana	Nil
	Cllr. M Gantsho	Nil
	Cllr. NV Mjandana	Nil
	Cllr. NC Mkiva	Nil
	Cllr. N Nyangwa	Nil
	Cllr. N Charlie	Nil
	Cllr. NZ Klaas	Nil
	Cllr. M Busakwe	Nil
	Cllr. Z Gavini	Nil
	Cllr. X Neti	Nil
	Cllr. M Nqini	Nil
	Cllr. M Neku	Nil
	Cllr. Z. Ngozi	Nil
	Cllr. PA Simandla	Nil
	Clr. N Ncevu	Nil
	Cllr. ME Maweni	Nil
	Cllr. N Salaze	Nil
	Cllr. O Mgunculu	Nil
	Traditional Leader P. Gaika	Nil
	Traditional Leader NJ. Ulana	Nil
Municipal Manager	Dr. Z Shasha	Nil
Chief Financial Officer	Mrs. B. Ngwendu	Nil
Directors	Mr. S Mnweba	Nil

	A Noholoza	Nil
	N Nqulo	Nil
	N Dlova	Nil
Other S57 Officials		
** Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A*		
T J		

APPENDIX H: REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	Year 2023/24	Current: Year 2024/25			Year 2024/25 Variance	
	Actual	Original Budget	Adj Budget	Actual	Original Budget	Adj Budget
Vote 1 - Executive & Council	127 287	139 976	142 657	145 234	4%	2%
Vote 2 - Budget & Treasury Office	39 758	27 631	28 423	43 298	36%	34%
Vote 3 - Corporate Services	–	–	–	–	0%	0%
Vote 4 - Planning & Development	33 129	32 991	61 041	48 975	33%	-25%
Vote 5 - Community & Social Services	–	1 380	1 428	6 120	77%	77%
Vote 6 - Housing	4 728	53	53	505	90%	90%
Vote 7 - Public Safety	117	5 001	5 001	4 959	-1%	-1%
Vote 8 - Sport & Recreation	–	–	–	–	0%	0%
Vote 9 - Waste Management	5 047	17 346	21 627	12 613	-38%	-71%
Vote 10 - Road Transport	35 562	5 512	6 182	5 232	-5%	-18%
Vote 11 - Electricity	11 661	41 674	45 307	46 291	10%	2%
Vote 12 - Environmental Protection		212	328	144	-47%	-128%
Total Revenue by Vote	**257 289**	**271 776**	**312 047**	**257 647**		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						*T K.1*

APPENDIX I: LONG TERM CONTRACTS

Long Term Contracts (20 Largest Contracts Entered into during Year 2024/25					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
None					
					T H.1

Public Private Partnerships Entered into during Year 2024/25					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2024/25
None					
					T H.2

APPENDIX J: MUNICIPAL ENTITY

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose	(a) Service Indicators	Year 0		Year 1			Year 2	Year 3	
		Target	Actual	Target		Actual	Target		
	(b) Service Targets	*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
N/A									

*Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.* T I

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
						R '000
Description	Year 2023/24	Year 2024/25			Year 2024/25 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adj Budget
Property rates	22 178	24 424	24 424	24 168	-1%	-1%
Property rates - penalties & collection charges	38 857	41 674	45 307	45 966	9%	1%
Service Charges - electricity revenue	–	–	–	–	0%	0%
Service Charges - water revenue	–	–	–	–	0%	0%
Service Charges - sanitation revenue	–	–	–	–	0%	0%
Service Charges - refuse revenue	10 856	12 320	12 707	11 558	-7%	-10%
Service Charges - other	–	5 634	5 841	5 238	-8%	-12%
Rentals of facilities and equipment	171	100	291	500	80%	42%
Interest earned - external investments	366	1 158	3 710	3 445	66%	-8%
Interest earned - outstanding debtors	8 182	11 849	14 527	15 177	22%	4%
Dividends received	–	–	–	–	0%	0%
Fines	12	27	27	12	-125%	-125%
Licences and permits	1 780	2 252	2 922	2 481	9%	-18%
Agency services	1 059	1 829	1 829	1 343	-36%	-36%
Transfers recognised - operational	121 995	138 420	138 309	138 142	0%	0%
Other revenue	5 037	862	474	19 154	95%	98%
Gains on disposal of PPE	1 005	–	–		0%	0%
Total Revenue (excluding capital transfers and contributions)	**211 499**	**240 449**	**250 078**	**267 184**	**10%**	**6%**

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4. *T K.2*

APPENDIX L: CONDITIONAL GRANTS EXCLUDING MIG

Conditional Grants: excluding MIG						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adj Budget	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
Other Specify:						
FMG Grant	2 200 000	2 200 000	2 200 000	0%	0%	Yes
MSIG Grant	–	–	–	0%	0%	Yes
EPWP Grant	1 211 000	1 511 000	1 511 000	25%	0%	Yes
Equitable Share	138 370 000	138 370 000	138 370 000	0%	0%	Yes
PMU 5%	1 870 150	1 870 150	1 870 150	0%	0%	Yes
Disaster Relief Grant	19 145 000	33 377 199	33 564 699	75%	1%	
Provincial						
Library Grant	1 792 000	1 792 000		0%	0%	Yes
Total	**164 588 150**	**179 120 349**	**177 515 849**	**8%**	**-1%**	

** This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.* T L

APPENDIX M: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*						
						R '000
Description	Year 2024/25			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2024/25	FY + 2025/26	FY + 2026/27
Capital expenditure by Asset Class						
Infrastructure - Total	33 877	65 477	50 310	–	–	–
Infrastructure: Road transport - Total	**5 426**	**36 228**	**19 147**	–	–	–
Roads	5 426	36 228	19 147			
Capital Spares						
Infrastructure: Electricity - Total	–	–	–	–	–	–
Power Plants						
LV Networks	–	–	–			
Capital Spares	–	–	–			
Infrastructure: Water - Total	–	–	–	–	–	–
Dams & Reservoirs						
Water purification						
Reticulation						
Infrastructure: Sanitation - Total	–		–	–	–	–
Reticulation						
Sewerage purification						
Infrastructure: Other - Total	–	**2 526**	**7 867**	–	–	–
Waste Management	–	2 526	7 867			
Transportation						
Gas						
Other						

Community - Total	**25 901**	**24 156**	**20 789**	–	–	–
Halls			2 487			
Centres	25 901	24 156	17 976			
Crèches						
Clinics/Care Centres						
Fire/Ambulance Stations						
Testing Stations						
Museums						
Galleries						
Theatres						
Libraries						
Cemeteries/Crematoria						
Police						
Purls						
Public Open Space			326			

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Capital Expenditure - New Assets Programme*

R '000

Description	Year 2024/25			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2024/25	FY + 2025/26	FY + 2026/27
Capital expenditure by Asset Class						
Heritage assets - Total	–	–	–	–	–	–
Buildings						
Other						
Investment properties - Total		600		–	–	–

Housing development						
Other		600				
–						
Other assets	**2 550**	**1 967**	**2 332**	–	–	–
General vehicles	2 200	557	557			
Specialised vehicles						
Plant & equipment			1 368			
Computers - hardware/equipment	350	910	403			
Furniture and other office equipment		500	4			
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 new assets	33 877	65 477	50 135	–	–	–
Specialised vehicles	–	–	–	–	–	–
Refuse				–	–	–
Fire						
Conservancy						
Ambulances						

** Note: Information for this table may be sourced from MBRR (2009: Table SA34a)* *T M.1*

Capital Expenditure - Upgrade/Renewal Programme*

R '000

Description	Year 2024/25			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2024/25	FY + 2025/26	FY + 2026/27
Capital expenditure by Asset Class						
Infrastructure - Total	175	175	175	–	–	–
Infrastructure: Road transport -Total	–	–	–	–	–	–
Roads, Pavements & Bridges						
Storm water						
Infrastructure: Electricity - Total	175	175	175	–	–	–
Power Plants		–	–	–	–	–
LV Networks	175	175	175			
Capital Spares						
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						

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Capital Expenditure - Upgrade/Renewal Programme* R '000						
Description	Year 2024/25			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2024/25	FY + 2025/26	FY + 2026/27
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

APPENDIX N: CAPITAL PROGRAMME

Capital Programme by Project: Year 2024/25					R' 000
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Executive & Council					
Vehicles	750	752	558	-35%	-34%
Budget & Treasury					
Furniture and Office Equipment	-	150	4	-3650%	0%
Corporate Services					
Computer Equipment	150	727	404	-80%	63%
Waste Managemnt					
Landfill Site	1 550	2 578	7 867	67%	80%
Road Transport					
Machinery and Equipment	50	254	1 367	81%	96%
Electricity					
Electricity Projects	-	173	–	0%	0%
Project Management Unit					
MIG Projects	30 377	29 231	25 419	-15%	-20%
Other Projects	-	30 285	14 692	-106%	0%
Town Halls and Municipal Buildings					
Buildings	1 000	1 500	–		
	33 877	**65 650**	**50 311**		

APPENDIX O: Capital Programme by Project by Ward

Capital Programme by Project by Ward: Year 24/25		
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Paving Xholorha internal Streets	13	No
Revamp and Renovation of Municipal Offices	13	No
Keiskammahoek Recreation centre	1	Yes
Mbaxa Community Hall	7	Yes
Mlungisi Sports field Phase 3	15	Yes
Phumlani community Hall (planning)	2	No
Mandlakapheli, Langdraai Roads and Stormwater	4	Yes
Rhawini to Bhongweni Roads and Stormwater	5	Yes
Stutterheim Landfill Road and Storm water	13	Yes
Mlungisi Township (Mbulelo Ndondo, Old Location and Mzamomhle) Roads and Stormwater	14	Yes
Amabele, Gasela, Stanhorpe and Jerseyvale Roads and Stormwater	9	Yes
Kubusie and Ohlsen Roads and Stormwater	6	Yes
Upper and Lower Ngqumeya and Tshoxa Roads and Stormwater	10	Yes
Stutterhein Landfill site road	13	Yes
Phumlani,Bumbane & Kom internal roads	2	Yes
Goshen roads	4	Yes
Cenyulands road	15	Yes
Peer to Nxawe,Nxawe to Matsa roads in Ethembeni	7	Yes
Sophumelela Ngxondorheni internal roads	1	Yes
Construction of Keiskammahoek Roads (STR) - Tender Document	1	Yes
Construction of Stutterheim Roads (STR) - Tender Document	13	Yes

Electricity		
Pre-engineering-Upgrade of Cathcart Substation 24/25	Whole Cathacrt	yes
Pre Engineering-Upgrade of Stutterheim Main intake substation 24/25	Whole Stutterheim	yes
EEDSM 24/25	13,9,8,4,6&5	yes
STR Stutterheim electrical project	Stutterheim town,Amatoleville,Mlungisi	no
STR Keiskammhoek electrical	Keiskammahoek town, Sophumelela	no
Housing		
Refuse removal		
Storm water		
N/A		
Economic development		
Sports, Arts & Culture		
Mlungisi Sports field Phase 3	15	Yes
Environment		
Health		
Safety and Security		
ICT and Other		
		T O

APPENDIX P: Declaration of Loans and Grants made by the municipality

Declaration of Loans and Grants made by the municipality: Year 2024/25				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
None				

** Loans/Grants - whether in cash or in kind*

T R

APPENDIX Q: Service Delivery Backlog experienced by the community where another sphere of government is responsible for service provision

Services by Sector Departments	Services Implemented/Provided	Service Backlogs
Access to Sanitation	93%	5,9%
Access to Water	89.7%	10.3%
Electricity	85.9%	10,3% (New extensions)
Housing	459	3 172
Refuse Removal	30,8%	69,2%
Roads	18%	82%

ANNEXURE R: COGTA KEY PERFORMANCE INDICATORS

RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS IN THE ANNUAL REPORT FOR 2023/24 FINANCIAL YEAR

The following is the list of indicators that were agreed upon and on how the performance information should be populated:-

CHAPTER: ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT –KPA 1

Annual performance as per key performance indicators in municipal transformation and organizational development.

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	18	11	61%	Positions that appeared on 2024/2025 financial year were eighteen (18) and Eleven (11) have been filled, the remaining seven (7) positions are in the recruitment process.
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	6	6	100%	All positions that were vacant due to Expired contract have been filled and only one (1) resignation is in the recruitment process
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	6	4	67%	Due to municipal financial constraints the municipality relied on the LGSETA DG Funding for training of the managers.
4	Percentage of Managers in Technical Services with a professional qualification	3	3	100%	There are no gaps identified
5	Level of effectiveness of PMS in the LM – (LM to report)	**PMS has been cascaded to employees from TG12 and above.**			
6	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5-year term	258	57	22%	Submission was done by 57 Employees
7	Percentage of councillors who attended a skill development training within the current 5-year term	30	26	87%	No training has been conducted internally in the current financial year. COGTA and SALGA assisted the municipality with other workshops conducted for councillors in their respective sections as department Portfolio heads
9	Percentage of staff complement with disability	4	5	125%	
10	Percentage of female employees	120	93	77.5%	Out of the 93 females, 12 females are employed as interns in various municipal departments.
11	Percentage of employees that are aged 35 or younger	258	44	17%	
12	Adoption and implementation of a District Wide/ Local Performance Management System	1	1	100%	The municipality has developed Performance Management System Policy Framework which was adopted in 2011 and is reviewed annually in line with IDP processes. The

	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
					municipality has thus far cascaded performance management system from task grade 12upwards and is planning to cascade to lower levels in 2025/26 financial year.

<u>CHAPTER: BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS (KPA 2)</u>

Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customers expected to benefit Total House Holds=34159	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	24 269	3 429	20 840	20 840	100
2	Percentage of indigent households with access to basic electricity services	24 269	3 429	24 269	20 840	86
3	Percentage of indigent households with access to free alternative energy sources	24 269	886	886	886	100

Electricity – 2016 Community Survey as per the table above indicates that 92.7% of households at Amahlathi uses electricity for lighting compared to 87.4% calculated in the Census 2011 meaning there is a great improvement of about 5.3%.

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customers 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	24 269	14 561	3 000	3 000	100
2	Percentage of road infrastructure requiring upgrade	980 km	487 km	4 km	2 km	50
3	Percentage of planned new road infrastructure actually constructed	980 km	493 km	12 km	12 km	100
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	R 522 m	R 522m	R 26.2 m	R 26.2 m	100

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customers expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1.	No. of households and businesses with basic waste collection	29 994 House Holds	23 536 households and businesses with access to basic waste. (29 994- 6458 =23 536)	6458 households and businesses with access to basic waste	**21,53%** in the Amahlathi Municipality (6458 / 29 994 X 100= 21.53%)	Percentage of households with access to refuse removal services **21.53%**

2	Existence of waste management plan	• Integrated Waste Management Plan (2022 – 2027) was approved by Council on the 25th of January 2023 and submitted to DEDEAT for endorsement by the MEC.

Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customers expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	4,4%	1527	N/A	N/A	0%
2	Percentage of informal settlements that have been provided with basic services	N/A	N/A	N/A	N/A	N/A
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	57%	19950	N/A	N/A	N/A
4	Existence of an effective indigent policy	There is Indigent policy that has been adopted, and it is reviewed annually.				
5	Existence of an approved SDF	Amahlathi Local Municipality Draft SDF has been gazetted in November 2022.				
6	Existence of Land Use Management System (LUMS)	The development of a SPLUMA compliant Wall to Wall Land Use Scheme has been conducted during the 2022/23 financial year.				

CHAPTER: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

Annual performance as per key performance indicators in LED

No	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	- No new recruitments	0%
2	Percentage of LED Budget spent on LED related activities.	None	None	None
3	Existence of LED strategy	Reviewed LED Strategy		
4	Number of LED stakeholder forum meetings held	8	- 2 LED Forum meetings - 3 Contractors meeting held - 4 Agricultural Forum Meeting held - 2 CTO's and LTO's meetings - 2 Hawkers meeting held - 3 Cooperative meeting held (Amahlathiwethu Secondary Co-op) - 3 meetings Amahlathi Farmers Association	100%
5	Plans to stimulate second economy	- 3 business plans developed for 3 cluster towns - Target 2 twining agreements with Strategic-Institutions in the EC	- Cathcart small town **revitalisation by ADM** - Developer for the Keiskammahoek shopping complex has been appointed. - MOU has been concluded with **Lamspringe Municipality**. - The municipality has entered into twinning agreements with **African Sun Holdings.** - MOU has been concluded with Fort Cox College - Stutterheim Master and Precinct Plan Developed and adopted by Council. - Action plan for Implementation of Stutterheim Master and Precinct Plan developed.	50%
6	Percentage of SMME that have benefited from a SMME support program	-Sub-contracting resolution has been taken by	- Quarter 1 – 98 - Quarter 2 – 103 - Quarter 3 – 141 - Quarter 4 – 92	

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
		Council and is being implemented - 30% of Amahlathi budget allocated to local SMME's 3 trainings conducted for Community Tourism Organisation (CTO) and Local Tourism Organisations (LTO'S) 3 contractors subcontracted and benefited. 40 farmers to be supported with capacity building. 4 tourism events attended to provide access to market for Crafters	- **434 SMME's benefited on SMME Support Programs from all clusters.** - 55% of Amahlathi budget allocated to local SMME's - 4 training session conducted for CTOs & LTOs from the following - Quarter 1 – East London DSRAC CTOs - Quarter 2 – Kwazidenge CTOs - Quarter 3 – CATA CTOs - Quarter 4 – ZINGCUKA CTOs - Quarter 1 – Formal Request submitted. - Quarter 2 – Variance - Quarter 3 – Mlungisi Hall 48 on animal health - Quarter 4 – Mtiza Pty Ltd 23 on Animal Nutrition **Annual Total number of Farmers 71** - Quarter 1 – State of Amahlathi Local Municipality Address dated 11 September 2024. - Quarter 1 – Andrea Dondolo Resilience Walk event dated 30 September 2024 at Stutterm Grey Square	

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
			- Quarter 2 - Cata Heritage event dated 23 November 2024. - Quarter 3 – The visiting of the **Germans** crafters was invited to exhibit their craft work. - Quarter 4 - Craft and visual selection dated 20 May 2025. - Grahamstown National Art Festival 2025 - Quarter 1 - Heritage Celebration event 2023 (7km Hiking Trail) crafters were invited for - the exhibition of the craft work - Quarter 2 – Revival of Mgwali Cultural Village includes the craft work from the crafters. - Quarter 3 – The visiting of the **Germans** crafters was invited to exhibit their craft work assurance. - Quarter 4 – Amahlathi crafters have an opportunity to take part in the Grahamstown Arts Festival - Quarter 1 – need analysis of forestry activities. - Quarter 2 – **DFFE** were 11 primary cooperative. - Quarter 3 – 2 interventions support 1st by NTE 21 primary Cooperatives 2nd by working on fire 11 primary cooperatives. - Quarter 4 – 2 Interventions support 1st DFFE 18 primary cooperatives	

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
			2nd NDFFE 71 primary cooperatives **Annual total number for timber forestry = 132**	
7	Number of job opportunities created through EPWP	357 CYDP participants (Graduates, Interns, Learners, and Apprentices)	453 CYDP participants (Graduates, Interns, Learners, and Apprentices)	127%
8	Number of job opportunities created through PPP	n/a	n/a	n/a

CHAPTER: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as per key performance indicators in financial viability

	Indicator name	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	R 65 649 950	R 50 310 960	76.6%
2		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
3	Salary budget as a percentage of the total operational budget *(Including Councillor Allowances)*	R149 313 610 / R309 640 890	R149 801 312 / R305 243 484	49%
4		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
5	Total municipal own revenue as a percentage of the total actual budget	R111 768	R122 575	109.7%
6		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
7	Rate of municipal consumer debt reduction	10 000	-R15 134	-151%
8	Percentage of MIG budget appropriately spent	R30 770	R30 770	100%
9	Percentage of MSIG budget appropriately spent	R 0	R 0	0%
10	AG Audit opinion	Unqualified	Unqualified	
11	Functionality of the Audit Committee	4 meetings	4 meetings	100%
12	Submission of AFS after the end of financial year	30 August 2024	30 August 2024	100%

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	% war room	12 meetings	12	100%
3	Existence of an effective system to monitor CDWs	The CDWs are part of the key stakeholders of Public Participation. They are invited to participate during mechanisms such as mayoral imbizos (or roadshows) and representative forums that feed directly into IDP and Budget. These events are convened on quarterly basis. CDWs also participate in the annual report roadshows. Their key role is to assist the municipality capture well the public perceptions on development versus the service delivery outputs reported on. The municipality coordinate this work of CDWs through the Public Participation function. The municipality is part of the quarterly roundtable sessions organised by CDWs to make reflections on the work of the CDWs. The municipality provides venues and ensures communication of information to relevant stakeholders when required to do so.		
5	Effective of IGR structural meetings	Amahlathi Political IGR forum meetings sit on a quarterly basis and are led by the Honourable Mayor. All the Executive Committee members of the Council also form part of the forum as required by the terms of reference of the committee. The IGR is currently coordinated in the Office of the MM and is attached to the Office Administrator.		
6	Existence of an effective communication strategy	The Communication Strategy of Amahlathi Local Municipality is in place. It was first adopted by council in February 2015. The strategy is being implemented through tools such as communications policy and communications operational plan. These tools are reviewed annually to ensure their relevance.		
6	Existence of an effective communication strategy	Communication Strategy adopted by council February 2015, and it is reviewed on an annually basis by reviewing the Communication Action Plan		
7	Number of mayoral imbizos conducted	2	2	100% The mayoral imbizo's were conducted during the second and third quarter.
8	Existence of a fraud prevention mechanism	The Internal Audit Unit is conducting Fraud Awareness Campaigns within the municipality on quarterly basis and those awareness programs are included on the Approved Risk Based Internal Audit Plan for 2015/16 financial year. Employees are workshopped on what constitutes Fraud and what they should do when they suspect that fraud is happening within the municipality. The Internal Audit Unit has also developed Fraud Prevention Plan and Whistle-blowing policy for protection of the Whistle blowers. Policy was submitted to the Council and was adopted in April 2015.		

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