MSUNDUZI MUNICIPALITY

THE CITY OF CHOICE

24/25

DRAFT ANNUAL REPORT

VISION "By 2040 Msunduzi will be a safe, vibrant, sustainable and smart metropolis."

MISSION "To ensure that the Municipality functions efficiently to deliver basic, social, economic and environmental services to build better Communities. "

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TABLE OF ABBREVIATIONS	
AG	Auditor General
AIDS	Acquired Immune deficiency syndrome
AIPF	Associated Institution Pension Fund
AMP	Ampere
APR	Annual Performance Report
BBBEE	Broad Based Black Economic Empowerment
CBD	Central Business District
CCTV	Closed Circuit Television
CFO	Chief Financial Officer
CLLR	Councillor
CoGTA	Cooperative Governance and Tradition Affairs
CWP	Community Work Programme
DAEARD	Department of Agriculture, Environmental Affairs and Rural Development
DBSA	Development Bank South Africa
DMPAC	Disaster Management Planning Advisory Committee
DMM	Deputy Municipal Manager
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EAP	Employee Assistance Programme
EPWP	Expanded Public Works Programme
EXCO	Executive Committee
HDI	Historically Disadvantaged Individual
HIV	Human immune Virus
HNR	Housing Needs Register
HRD	Human Resources Development
HRM	Human Resource Management
IA	Implementing Agent
ICT	Information Communication Technology
IDP	Integrated Development Plan
IDT	Independent Development Trust
IMATU	Independent Municipal Allied Trade Union
IPMS	Individual Performance Management System
KPI	Key Performance Indicators
KWANALOGA	KwaZulu-Natal Local Governance Association
MCB	Miniature Circuit Breaker
MCPF	Municipal Councillors Pension Fund
MEC	Member of Executive Committee

TABLE OF ABBREVIATIONS	
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MUNIMEC	Municipalities and Member of Executive Council Meetings
NDPG	Neighbourhood Development Partnership Grant
NERSA	National Electricity Regulator of South Africa
NKPA	
NPA	National Prosecuting Authority
NQF	National Qualification Framework
NRW	Non-revenue Water
OP	Operational Plan
OPMS	Organizational Performance Management System
PDOHS	Provincial Department of Housing
PHC	Primary Health Care
PMB	Pietermaritzburg
PMS	Performance Management System
PURP	Pietermaritzburg Urban Renewal Program
SALAPF	South African Local Authorities Pension Fund
SALGA	South African Local Government Association
SAMWU	South African Municipal Workers Union
SAPS	South African Police Services
SBU	Strategic Business Unit
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SITA	State Information Technology Agency
SMMES	Small Medium and Micro Enterprises
SOP	Standard Operating Procedure
STATSSA	Statistics South Africa
UNISA	University of South Africa
VIP	Ventilated Improved Pit Latrine
WSDP	Water Services Development Plan
WSP	Workplace Skills Plan
WSP	Workplace Skill Plan
WWTP	Waste Water Treatment Plan

CHAPTER 1 – MAYORS FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYORS FOREWORD

CLLR MZIMKHULU THEBOLLA CITY MAYOR

It is with great pride and gratitude that I present this year's annual report (2024/2025), a reflection of our collective progress, challenges, and aspirations as a community. Over the past year, we have navigated both opportunities and obstacles, always guided by a shared vision for a brighter, stronger future and a better life for all.

According to Section 46 of the Municipal Systems act, all municipalities are required to prepare an annual report for each financial year. This includes a performance report that detail's the municipality's and any service provider's performance during the year in question. This provides an opportunity for performance comparatives to be drawn against the objectives/targets in relation to the previous financial year.

The 2024/25 Annual report which in many ways reflect our service delivery and development achievements and challenges, is presented in recognition of our legislative obligation to be an accountable and transparent institution. The report also describes how these goals were implemented and accomplished in accordance with several pieces of legislation, including sections 121 and 127(2) of Local Government: Municipal Finance Management Act No 56 of 2003 and section 46 of Local Government: Municipal Systems Act No 32 of 2000.

This report is not just a record of numbers or initiatives, it is a testament to resilience, innovation, and unity of our people. Together, we have achieved milestones in key areas such as:

1. Basic Service Delivery and Infrastructure Development
2. Municipal Transformation and Development
3. Good Governance and Public Participation
4. Municipal Financial Viability and Management

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The performance of this NKPA might not have been to the standard that we had wanted as the Council of Msunduzi Municipality, however it must be stated that there were significant developments made under this NKPA. The Senior Management Positions of DMM Electricity Supply Services, DMM Sustainable Development and City Entities and just after the closure of the financial year the appointment of the new Municipal Manager, this will further ensure that there is administrative stability within the Msunduzi Management.

Integrated Waste Management Plan approved by Council in during the Financial Year in order to assist the Waste Department in fulfilling its mandate of ensuring that Msunduzi remains a clean and well services City.

The Pietermaritzburg Urban Renewal Program played a huge role in ensuring that the strategies under this NKPA are implemented accordingly, During the 2024/25 financial year, the PURP unit facilitated the CBD Regeneration Programme initiative. The main objective of the programme was to coordinate a multidisciplinary approach to address various service delivery challenges in the CBD. Some of the challenges that have been addressed includes road markings, maintenance of streetlights and traffic lights, maintenance of walkways and stormwater drainage systems, responding to water leaks, maintenance of public spaces, responding to illegal street trading, responding to environmental health challenges, traffic management control, enforcement of by-laws, responding to illegal dumping and optimizing waste management operations.

Moreover, the unit coordinated the application for Budget Facility for Infrastructure (BFI) on the Msunduzi Water and Sanitation Infrastructure Upgrade (MWSIU) Programme. The MWSIU Programme is a water and sanitation project to supply combined 226 329 people with water and sanitation in Willowfountain, parts of Vulindlela and Shenstone improving capacity through water infrastructure upgrades. The budget for the planning studies was approved under the Regional Bulk Infrastructure Grant (RBIG), and the consultants are busy with the finalization of the planning phase.

As stated, the percentage achievement of this NKPA does not fully reflect the work that has been done, yes there are issues with the vacancy rate, however an acceleration plan will have to be put in place in order to ensure that posts are filled but most importantly we have to ensure that the approved 2023 structure is implemented and fully functional.

BASIC SERVICE DELIVERY

The Electricity Supply Services received a generous allocation of capital funding; this was a great deal assisted by the loan Msunduzi took from Development Bank of South Africa (DBSA). The performance in spending the full budget could have been 100% had it not been the delay by DBSA to disburse the money to the Municipality. The money was planned to be released to the Municipality by no later than 1st July 2024. Unfortunately, DBSA released the funds as late as February 2025. This resulted in the Electricity Supply Services losing at least 8 months of the year. Fortunately, all the preparatory work had already been done to start the projects immediately the funds were made available.

It could be said that the Planning and Asset Creation Unit is the only unit within the Electricity Supply Services Business unit that is optimally capacitated to full fill its mandate. The performance of this subunit speaks for itself in this. As a result of this, its staff are used all over the organization to fill the staffing gaps which hampers service delivery.

A flagship project worth mentioning is the refurbishment of Eastwood Primary Substation. This substation is now completed and floating waiting for Eskom to finalise their network assessment before it can be energized. The energization of Eastwood Substation will assist in de-loading the Northdale Primary Substation and Riverside Primary Substation. This will ensure adequate supply to the Willowton, Manning Avenue and Chesterfield industrial areas. It will further assist in increasing operability of the network in particular during the times where there are system faults.

More to the above scope of work, we have ensured as the Municipal Council that we reduce the number of infringements on our Substations by allocating security personnel to guard all our Municipal Substations, this we hope will reduce the vandalism and theft that threatens the nature of our electricity infrastructure.

478 new household electricity connections completed in the 2024/2025 Financial Year, these connections were planned connections that came from a Human Settlement.

The Water and Sanitation projects that are being implemented refer to the applications that are customer driven for new sewer and water applications, these were all attended by the Water Department. The Municipality is also busy with multiyear projects in relation to new water pipeline, as it stands, we have completed, about 34km of the water pipeline, these include the Darvill Project and Ezinketheni.

Through the Human Settlements department, we have also been able to facilitate the 2000m bulk sewer outfall installed for Khalanyoni, this project was completed by the 30th of June 2025.

55 000m² of pothole repairs have been completed, more of this work could be done but it continues to be work in progress as we are still reactive in relation to the maintenance of potholes in the City. The purchase of our own plant could assist in a more planned manner of dealing with the issue of potholes in the City.

48 970 square meters of roads rehabilitated as at the end of the financial year, this is critical project for our City when you consider the state of our road infrastructure, it has been laboured that as much as we can deal with maintenance of potholes, the key project that is required is the rehabilitation of our roads infrastructure, so that it cater to the standards of the vehicles utilised in the Msunduzi jurisdiction, that is the reasons for the roads rehabilitation, more funds should be made available in order to facilitate the rehabilitation of our municipal road networks.

LOCAL ECONOMIC DEVELOPMENT

As we reflect on the past financial year, our local economy has demonstrated resilience and growth, driven by strategic initiatives and collaborative efforts. The Local Economic Development section has been instrumental in fostering a thriving business environment, supporting entrepreneurship, and creating opportunities for economic inclusion. Through targeted programs and partnerships, we have worked tirelessly to stimulate innovation, attract investment, and enhance the overall quality of life for our residents. This report highlights our achievements, challenges, showcasing our commitment to building a prosperous and sustainable local economy.

Msunduzi Municipality undertook a comprehensive LED Strategy Review in 2024 to align with evolving socio-economic conditions, legislative updates, and the MEC's directive for improved IDP scoring.

The 2024/25 Msunduzi LED Strategy Review presents a revitalized, inclusive approach to economic development. It integrates post-COVID-19 recovery, civil unrest impacts, inflation, and energy challenges into a data-driven framework aligned with national and provincial plans. Key updates include revised sub-strategies for SMMEs, cooperatives, youth, women, and persons with disabilities—each backed by stakeholder consultation and spatial targeting. The review emphasizes catalytic projects, land release for industrial growth, informal economy formalization, red tape reduction, infrastructure enhancement, and green economy activation to boost employment and unlock investment.

This review informed the adoption of five sector strategies—SMMEs, cooperatives, youth, women, and persons with disabilities—now embedded within the 2024/25 LED implementation framework.

The Development Facilitation Committee (DFC) assists investors in making informed investment decisions by identifying and packaging potential projects within the municipality, creating an enabling environment for business and trade. These meetings are set to take place monthly on Microsoft Teams, they are usually chaired by the Senior Manager of Development Services and attended by different municipal departments.

FINANCIAL VIABILITY

As at the end of the 24/25 financial year, The Municipality was able to achieve 80% collection rate of current debt, this is below the norm of the 95% collection rate, in order to mitigate this outcome, we are not loosening the stronghold of implementing the Operation Qoqimali to ensure customers are paying what they owe to the Municipality. The following debt collection strategies were implemented:

- Daily electricity disconnections
- Daily water restrictions
- Consolidation of accounts
- Transfer of accounts to surviving spouses for deceased
- Issue of letter of final demands, default judgements, summons and warrants for sale in execution
- Review of credit control policy for the arrangements to be affordable to the customers
- Meter audits
- Improved turnaround time for meter changes
- Monitoring of disconnected properties
- Extensive verification and reconciliation of Government accounts
- Stop landfill services for customers with arrears
- Weekly Monitoring of the Debt Collectors Progress Made.
- Operation Qoqimali is underway collecting the high arrear debt.

The following proposed solutions are being investigated by the municipality for implementation:

- Automation of debtors related functions
- Meters and electricity network that inside properties etc. to be moved to the road frontage boundaries to be easily accessed by the municipal staff for ease of meter reading, maintenance, disconnecting, reconnecting.
- Places that have shared meter rooms (e.g. flats, complexes, mini-factories, office blocks etc) must be meters by one bulk electricity meter but the municipality should monitor that all individuals are charged the same tariffs that the municipality has and approved
- Customers found to have tampered with electricity must be disconnected immediately and charged a tamper fee and energy consumed be backed charged as indicated in the credit control policy (actual time from tamper or 3 years, depending on which comes first)
- Funding to relocate services to the road frontage boundary to be made available as this will improve revenue when municipality has full access to its property
- Community must be engaged by all stakeholders involved (political, municipal, provincial and national offices) to teach them that paying bills or paying for municipal services helps to get better services (quality electricity, quality water, roads without potholes etc.).
- Funding to be provided to move to new technologies of remote meter reading, disconnections, remote fault detection etc.
- With the demand of work to be done (meter changes, disconnections, auditing etc.), more electricians and tools of trade are required. Currently resources are shared among sections
- SAPS and other stakeholders must come together to assist municipality to bring those people breaking the municipal by-laws to book

- Constant communication within all municipal departments to understand each other and needs
- Government departments to reduce renting from private property owners that stealing from the municipality.
- Meter Audit – Council Wide
- Implementation of smart meters.
- Council wide data cleansing.

We managed to register about 6 663 indigent customers to receive the free basic services; we have engaged with Ward Councillors to assist the Revenue department in growing its indigent customer register.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION
The Draft Register of Tariffs and Charges was finalized in line with Council's approval. The Public Participation process took place as per the following timelines:

DATE	TIME	STAKEHOLDERS
19 February 2024	10h00	Government
20 February 2024	10h00	Business
21 February 2024	17h00	Civil Society

Adverts advising of the consultation meetings were published in the Witness (13/02/2024) and Eyethu paper (15/02/2024). ICT created a public consultation e-mail address for the purposes of this process. Verbal queries raised during the consultation meetings were dealt with during the meeting. These meetings were recorded and minutes for each meeting were finalised. Written comments received during the consultation process was collated and submitted to all Senior Managers for their response to formulate an action plan to attend to the concerns raised.

The final percentage increases were captured into the Register of Tariffs and Charges 2024/25 and submitted to the Budget and Treasury Office for inclusion with the Budget Approval within the stipulated timelines. The recommendations relating to the increases contained in the Register of Tariffs and Charges 2024/25 was approved by Full Council on 20 May 2024. The Full Council Resolution and the final document followed the legislative requirements for Section 75A of the Systems Act. The Full Council Resolution and the Approved Register of Tariffs and Charges 2024/25 was displayed at all the relevant Municipal Offices by 01 June 2024 as required. The advert advising of the approved tariffs were published in the Natal Witness on 31 May 2024, whilst the adverts appearing in the Public Eye was published on 21 May 2024.

The Tariff Consultations were not the only consultations to take place in the financial year, The Municipality has actively engaged with the provincial government, businesses, and ratepayers to consult on the proposed increases and decreases in rates and tariffs, with the aim of fostering a strong and transparent relationship with our customers. Additionally, the Municipality continuously shares development and project-related information with stakeholders and ward committee members. These consultations serve as a platform to communicate the municipal vision and strategic direction to both stakeholders and the broader public.

The primary objective of these engagements is to ensure that service delivery priorities and constructive development ideas are captured in the Municipal's strategic planning and, where feasible, reflected in the Municipal Budget. Throughout the year, the Municipality successfully engaged with the community to discuss upcoming projects and gather input on future development initiatives within the area.

The Municipality has also engaged Sector Departments and State-Owned Entities (SOEs) as part of the IDP Review process. As a key component of this process, the Municipality convened four IDP Forums during the financial year. These forums play a critical role in facilitating consultation with Sector Departments, SOEs, and members of the public who wish to participate.

Through these platforms, valuable input is gathered to inform and enhance the alignment of the IDP with sectoral priorities and community needs.

Public Participation Dates
25 April 2025 - Amakhosi Consultations
17 May 2025 - Ratepayers Association and Ward Committee Consultation
23 May 2025 – Business Consultation

IDP FORUMS MEETING DATES
26 July 2024
01 November 2024
07 March 2025
27 June 2025

The Municipality continues to foster good governance through effective Intergovernmental Relations (IGR) within the Municipality are pivotal to aligning priorities, pooling resources, and ensuring that infrastructure and services reach communities efficiently. The Municipality further works in partnership with traditional leaders, municipal entities, and civil society organisations to ensure that government interventions are inclusive and responsive to the needs of residents.

CROSS CUTTING
The performance of the Municipality under this NKPA has been reasonably well, taking into consideration the matters to be addressed being mostly the Environmental Health and Safety unit through water samples and 17 000 sites baited and/or treated for rodents. The other key element is the construction of new household is also a key component of the achievement under this NKPA.

Another critical aspect of the achievement is the performance of Safe City entity and the execution of its indicators through Safe City inspections, stakeholder engagement and the maintenance of the ISO Accreditation.

Corrective audit action plans are being developed and implemented in accordance with Section 131 of the MFMA to address the issues raised by the Auditor-General (AG). These plans detail the root causes of the findings, the corrective measures to be undertaken, the target dates and timelines for implementation, as well as the progress achieved to date. The Council wishes to reassure the Office of the AG that it will continue to work diligently with management to address the findings and to strengthen governance, financial management, and service delivery outcomes.

Providing quality services is a fundamental mandate of our Council and will therefore remain our foremost priority. To ensure that service delivery is effective and sustainable, it is essential that we strike a balance across all areas of performance, while giving focused attention to critical issues such as waste management, energy, water, and sanitation. We must also continue to reengineer our internal processes to proactively identify service delivery challenges, with particular emphasis on improving the management of the call centre, strengthening revenue collection, and enhancing rapid response mechanisms.

Inevitably, the new approach to local government must be developmental in nature, seeking to overcome the poor planning practices of the past. The Integrated Development Plan (IDP) remains the most effective tool for driving progress, as it brings together the municipality and its citizens in a collective effort to identify sustainable solutions that promote inclusive growth and ensure positive long-term development.

Emanating from the City's Vision 2040, which positions Msunduzi Municipality at the heart of a safe, vibrant, sustainable, and smart metropolis, the Municipality continues to pursue a clearly articulated City Development Strategy (CDS).

This strategy serves as both a growth path directive and a planning instrument to guide the realization of a developmental and sustainable Msunduzi Metropolitan Complex, while advancing the City's ambition to become globally competitive.

Section 19 of the Municipal Structures Act, 1998, stipulates that municipalities must involve the local community in the development, implementation, and review of their performance management systems. Communities must be afforded the opportunity to participate in setting appropriate key performance indicators and performance targets. Msunduzi Municipality places great value on the voices of its citizens, ensuring that service delivery remains responsive to their needs. This commitment is realized through platforms such as the Mayoral IDP/Budget Izimbizo, Rates and Tariff Public Consultations, Media Conferences, the Mayor's One-on-One engagements with citizens, as well as an open-door policy and continuous engagement with stakeholders through public participation processes. Through these mechanisms, the Municipality seeks to strengthen accountability, enhance service delivery, and ensure continuous improvement in processes and systems in pursuit of the Vision and Mission of Msunduzi Municipality.

We also welcomed newly appointed Deputy Municipal Managers, Mr Simphiwe Mchunu for Electricity Supply Services, this position had been vacant for a long time it is critical that we have finally been able to fill this post. We also welcome Mr Nhlanhla Khuzwayo the DMM responsible for Sustainable Development and City Enterprises. We hope the appointment of these two incumbents will contribute to driving the Administrative Governance of the Municipality.

As we look to the future, let us build on this momentum with unwavering determination and a spirit of collaboration. The road ahead may present challenges, but I am confident that, as a united community, there is no obstacle we cannot overcome and no goal we cannot achieve together.

Thank you for your unwavering support, your trust, and your commitment to our shared vision. It is both an honour and a profound privilege to serve you as your mayor.

THE HONOURABLE MAYOR
COUNCILLOR M THEBOLLA

COMPONENT B: EXECUTIVE SUMMARY ACTING MUNICIPAL MANAGER

2024/2025 ANNUAL REPORT FOREWORD BY THE ACTING MUNICIPAL MANAGER

The vision of the city is to create a safe, vibrant, sustainable and smart metropolis by 2040. Msunduzi Municipality is committed to developing an economic future that is inclusive, diversified and competitive. To successfully realise this goal, a strategic approach is required that identifies and nurtures the very best growth opportunities. Proper strategic planning and integrated environmental thinking are also imperative to enable and empower Msunduzi and its surrounding areas to cope with the demands of future growth and to ensure that all citizens share in the city's prosperity.

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

During the current financial year, the Council appointed DMM: Electricity Supply Services and DMM: Sustainable Development and City Entities to ensure that there is stability in municipal governance. The post of DMM Community Services remains vacant as at the end of the 2024/2025 financial year, the process to fill the position remains a key priority for Council.

The facilitation and review of the organogram remain a challenge that the Municipality is looking to address, and plans have been developed to ensure that the structure is fully implemented and that the organisation begins the process of filling vacancies utilising the new approved organogram.

The Municipality during the period under review also received the support of the CoGTA specialist to assist Msunduzi Municipality, among other responsibilities the specialists provided diagnostic reports on the functions of the Municipality and management response in responding to the issues raised under the diagnostic report.

The process of monitoring Auditor General Action Plans remains a weekly function which culminates in the reporting to council committees on the progress of the AG findings. The Municipality remains driven to ensure that AG findings are resolved prior to the commencement of the Audit in the 2025/2026 financial year.

FINANCIAL VIABILITY

Please consider revising the sentence to: "Financial strength of the Municipality remains a challenge; however, we ensure that the debt owed to Umngeni-Uthukela Water and Eskom is paid on a monthly basis to reduce debt owed to these organisations. Revenue collection remains a key factor in ensuring that the Municipality maintains a continuous cash flows. The 80% collection rate of current debt indicate the customers' non-compliance with the payments due within 30 days as well as the rampant tampering within the city. The corrective measure taken by the Municipality is to ensure the following.

- Revenue Enhancement Team that sits weekly and is chaired by the City Manager.
- Weekly Revenue Collection meetings chaired by Chief Financial Officer.
- Increased Water Restrictions and Electricity Disconnections.
- Weekly Monitoring of the Debt Collectors Progress Made.
- Operation Qoqimali is underway collecting the high arrear debt.
- Disconnections for non-payment to urge customers to settle their debts

These are internal corrective measures that will ensure that we deliver on the matter of revenue enhancement for the Municipality.

The draft budget process began in January 2024 for the approval of the 2024/25 tariffs. The 2024/25 tariff setting was undertaken during the 2023/24 financial year, noting that the process was finalised before the end of the financial year. Each department was advised on the guidelines received from the Budget Office and requested to provide their tariff increase submissions. Each business unit undertook a cost reflective tariff review process; implementation thereof will follow in the next year's budget. The Draft Register of Tariffs and Charges was finalized in line with Council's approval.

The Municipality had continued its effort in ensuring the financial viability of the institution through the implementation of the Financial Recovery Plan. This is a plan that the Municipality entered into with National Treasury voluntarily in the 2022/23 financial year in order to assist with the Financial Recovery. On a monthly basis the office of the Municipal Manager ensures that the Financial Recovery Plan reports are submitted to Municipal Council Structures for consideration and assist in decision making. The reports are also submitted to National Treasury and comments are received from National treasury after assessing the submission and portfolio of evidence.

The Financial Recovery Plan comprises four pillars, and each pillar has a designated workstream leader who is a Senior Manager of the municipality. These workstream leaders are supported by workstreams champions comprising of Strategic Planning Managers:

- Pillar 1 – Governance Strategies
- Pillar 2 – Institutional & Organisational Development
- Pillar 3 – Financial Management & Governance
- Pillar 4 – Service Delivery

BASIC SERVICE DELIVERY

The Msunduzi Municipality coordinated the application for Budget Facility for Infrastructure (BFI) on the Msunduzi Water and Sanitation Infrastructure Upgrade (MWSIU) Programme, the funding was granted, and the BFI funding will be used for water and sanitation projects.

In the 2024/25 financial year, the Municipality continued to deliver on its mandate despite numerous service delivery backlogs. Potholes repairs remain ongoing, and the infrastructure business unit is committed to addressing the breakdown in our roads' infrastructure.

The appointment of DMM: Electricity Supply Services, Mr Simphiwe Mchunu will fill a void in administration of the business unit. This will assist in combating matters relating to electricity losses, new electricity connections and maintenance of Msunduzi infrastructure.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The Municipality had numerous stakeholder engagements with businesses and private stakeholders, not only dealing with tariffs but also IDP Process Plan implementation through Mayoral Izimbizo.

Our Integrated Development Plan (IDP) articulates the municipality's development priorities and objectives, serving as a strategic guide for planning and implementation. It outlines the mechanisms, processes, and procedures required to facilitate meaningful engagement with the local community prior to the IDP's adoption. Key objectives include ensuring that Technical Budget Steering Committee meetings and IDP Representative Forums are convened as scheduled, and that the draft IDP/Budget/OPMS process plan is prepared and approved for the relevant financial year. The plan also emphasizes the importance of public participation meetings, which provide a platform for community input on development initiatives and help keep residents informed of municipal strategies. Additionally, the municipality commits to active involvement in all District Development Model (DDM) forums at both political and administrative levels.

Risk remains a critical component in strengthening good governance, and the Risk Management Committee Chairperson, supported by the Chief Risk Officer, continues to drive effective risk management through quarterly Risk Management Committee meetings. At the conclusion of the financial year under review, the municipality was in the process of finalizing its Top 20 strategic risks as well as the operational risks identified at business unit level.

LOCAL ECONOMIC DEVELOPMENT

Relations with our Ratepayers Association and business leaders in the city assists us in advancing economic development in Msunduzi. This can be seen through our continuous work and Support of SMME's through awareness sessions and business support provided. We must continuously aim to ensure that we develop strategies and incentives that do not only keep our current businesses but also to attract new businesses in the city. The Development Services and Town Planning units are key stakeholders in this process.

In line with the vision 2040, we have developed a draft Smart City Policy to Council for approval. In addition, the facilitating the upgrade of the Maritzburg Mall continues. This is a multidepartment intervention that aims at restoring the dignity of the inner CBD through the fixing of paving, replacement of manhole covers, refurbishing of water fountains, improvement of lighting, installation of street furniture with charging ports, demarcation of parking bays, restoration of signage, enhancement of law enforcement, etc. There is also a process of engaging property owners to assist with painting their buildings whilst discussions of introducing City Improvement Districts (CID) are underway.

Through continuous development and working together with our stakeholders, we hope to achieve the vision and mission of the Municipality to ensure that Msunduzi Municipality remains the City of Choice second to none.

NM NGCOBO
MUNICIPAL MANAGER ACTING

CHAPTER 2 – GOVERNANCE STRUCTURES

COMPONENT A: GOVERNANCE STRUCTURES

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political & administrative governance at Msunduzi Municipality comprises of the Councillors and Senior Managers, respectively; they work together on a day-to-day basis to achieve identified service delivery goals and targets. The Political Governance is headed by the Mayor of Msunduzi Municipality, who is the chairperson of the Finance and Executive Committee. The Political Governance includes the Portfolio Committee chairpersons who are also part of the Executive Committee.

Administrative Governance is delegated to the Municipal Manager for the execution of Council decision and strategic objective. The Municipal Manager in execution of his role is assisted by managers appointed in terms of section 56 Managers that are accountable to the Municipal Manager. The Chief Financial Officer, DMM Corporate Services, DMM Community Services, DMM Infrastructure Services, there were two appointments that assisted with the functions of Administrative Governance, The appointment of DMM Electricity and DMM Sustainable Development.

The function of Administrative Governance is also extended to Senior Manager and Level five Managers as part of the Msunduzi Management Committee that sits monthly with Senior Managers and is extended to Level four managers Quarterly.

POLITICAL GOVERNANCE STRUCTURE

INTRODUCTION TO POLITICAL GOVERNANCE

Msunduzi municipality has several political structures which include Full Council, Executive Committee, other Council committees and Committees established to support the Executive Committee. The Speaker is the head of Council, whilst the Executive Committee is chaired by the mayor. The Msunduzi Municipality also has the office of the Chief Whip. The Council has also established the following Portfolio Committees to assist the Executive Committee:

- Corporate Services Portfolio Committee.
- Infrastructure Services Portfolio Committee.
- Sustainable Development and City Enterprises Portfolio Committee.
- Community Services Portfolio Committee; and
- Finance Portfolio Committee.

The Municipal Public Accounts Committee (MPAC) is a committee of Council that oversees the expenditure of public funds on behalf of Council and thereby ensures accountability of both the Executive Committee and administration.

WARD COUNCILLORS BY POLITICAL PARTY (2024 – 2025)

WARD COUNCILLORS		
WARD	**NAME**	**CONTACT DETAILS**
1.	MSOMI KHULEKANI (ANC)	073 304 5375 *4686
2.	MBONGENI ZUMA (ANC)	071 548 0665
3	MAKHAYE SKHANYISO CYRIL (ANC)	072 110 7893 *4151/Skhanyiso.Makhaye@msunduzi.gov.za
4.	ZONDI HAMILTON MLUNGISI (ANC)	083 947 2453 *4684/Mlungisi.Zondi@msunduzi.gov.za
5.	MBANJWA NKOSINATHI MAXWELL (ANC)	071 366 0106 *4685/Nkosinathi.Mbanjwa@msunduzi.gov.za
6.	MADONDA KWAZIKWAKHE EMMANUEL (ANC)	079 938 3650 *4512
7.	ZUMA BUKELANI EPHRAM (IND)	072 098 4796 *4513/Bukelani.Zuma@msunduzi.gov.za
8.	NGUBANE MSHUSHISI AUBREY (IFP)	073 983 8723 *4687
9.	MSHENGU MDUDUZI CASWELL (ANC)	082 542 7721 *4689
10.	NGUBANE THEMBA CYRIL (ANC)	067 236 7078 *4690/thembangubane09@gmail.com
11.	ZUMA SANELE RUSSEL (ANC)	065 979 8890 *4515
12.	MASOEU NKOSINATHI PATRICK (ANC)	081 403 6406 *4516
13.	MNCWANGO GLADNESS SIBONGILE (ANC)	072 438 5931 *4691/Gladness.Mncwango@msunduzi.gov.za
14.	MKHIZE SIBUSISO ALFRED (ANC)	084 425 8533 *5155/stofu24@gmail.com
15.	BHENGU MSAWENKOSI (ANC)	073 972 0584 *4710
16.	ZUMA MICHEAL BHEKABANTU (ANC)	078 251 4585 *4693/Micheal.Zuma@msunduzi.gov.za
17.	NDLOVU MPHILISI INSTANCE (ANC)	084 729 4689 *4752
18.	BUTHELEZI SIMPHIWE SAMUEL (ANC)	081 443 4502/ 073 544 0816 *5124/Simphiwe.Buthelezi@msunduzi.gov.za
19.	NGWENYA PERCIVAL VUSI (ANC)	072 223 5733 *4712/Percival.Ngwenya@msunduzi.gov.za
20.	PHUNGULA SIPHIWE (ANC)	060 438 0982 *4719
21.	ZUMA SBONGUMUSA (ANC)	079 342 8026 *4519/Sbongumusa.Zuma@msunduzi.gov.za
22.	ZONDI THEMBINKOSI (ANC)	082 428 9088 *4695/tzzondi@gmail.com
23.	PHUNGULA DUMISANI BERNARD (ANC)	083 328 8328 *4696/Dumsani.Phungula@msunduzi.gov.za
24.	NKABINI SINOTHI JEROME (ANC)	082 403 4562 *4699/Jerome.Nkabini@msunduzi.gov.za
25.	KHANYILE REGINALD XOLANI (DA)	081 770 5129
26.	STRACHAN ROSS BRYAN (DA)	076 882 8101 *4697/Ross.Strachan@msunduzi.gov.za
27.	KEMP HAROON DANIEL (DA)	081 788 2528 *4520/Daniel.Kemp@msunduzi.gov.za
28.	RENISHA SINGH (DA)	068 112 5102
29.	MADLALA SPHAMANDLA SYDNEY (ANC)	084 019 1397 *4705
30.	SOOBIAH RACHEL (DA)	084 809 2326 *4717/Racheal.Soobiah@msunduzi.gov.za
31.	AHMED ROOKSANA (DA)	065 802 8728 *4708/Rooksana.Ahmed@msunduzi.gov.za
32.	MIDDLETON GARTH FREDERICK WESLEY (DA)	073 515 0970 *4701

WARD COUNCILLORS		
WARD	NAME	CONTACT DETAILS
33.	REDDY SURAYA (DA)	084 508 5130 *4703/Suraya.Reddy@msunduzi.gov.za
34.	RAM ROY (ANC)	082 551 4663 *4518
35.	DLAMINI SANDILE WELLINGTON (ANC)	072 848 3587 *4714/Sandile.Dlamini@msunduzi.gov.za
36.	ROBERTS DOUGLAS LESLIE (DA)	081 375 9338/douglas.denise@telkomsa.net
37.	ELLIOTT EDITH (DA)	082 415 9435/Elliottt.edith018@gmail.com
38.	DLAMINI GODMAN NKOSIVELILE (ANC)	079 012 0162/Godman.Dlamini@msunduzi.gov.za
39.	MKHIZE MBUSISWA HENCEFORT (ANC)	078 830 9311/Mbusiswa.Mkhize@msunduzi.gov.za
40.	NGUBO JABULISILE JOYCE (ANC)	071 606 0103 *4524/Jabulisile.Ngubo@msunduzi.gov.za
41.	ZUMA BUSANI EDWARD (ANC)	067 297 0466 *5144

Proportional Representation Councillors by Political Party (2024 – 2025)

NO	NAME	CONTACT DETAILS
PR COUNCILLOURS EXCO		
1.	(The Mayor) THEBOLLA MZIMKHULU MESHACK (ANC)	083 408 1551 *5121/Thebolla.Mzimkhulu@msunduzi.gov.za
2.	(The Deputy Mayor) MKHIZE MXOLISI THEOPHILUS (ANC)	073 246 3331 *4171/ngaphezulu@gmail.com
3.	NGCOBO ZANELE PRINCESS (ANC)	082 836 7319 *5110/Zanele.Msunduzi@msunduzi.gov.za
4.	MSIMANG NOKUTHULA PRUDENCE (ANC)	078 620 1867 *4718/Nokuthula.Msimanga2msunduzi.gov.za
5.	SOKHELA NTOMBIZETHU PRECIOUS (ANC)	073 513 2664 *4017
6.	NHLABATHI BONGUMUSA CYRIL (DA)	079 613 1056 *4702/Bongumusa.Nhlabathi@msunduzi.gov.za
7.	STRACHAN ROSS BRYAN (DA)	076 882 8101 *4697/Ross.Strachan@msunduzi.gov.za
8.	NTOMBELA THINASONKE DENNIS (IFP)	082 432 9396 *5149/Thinasonke.Ntombela@msunduzi.gov.za
9.	PHAHLA PHUMELELE (ABC)	060 501 8273/Londeka.mshengu@msunduzi.gov.za
10.	WAKENI CHUMA (EFF)	0796771835/cwakeni10@gmail.com/Chuma.Wakeni@msunduzi.gov.za
SPEAKER, CHIEF WHIP AND MPAC		
1.	(The Speaker) MAJOLA NOMAGUGU EUNICE (ANC)	071 156 7427 *4594/Nomagugu.Majola@msunduzi.gov.za
2.	(The Chief Whip) DLAMINI SANDILE WELLINGTON (ANC)	072 848 3587 *4714/Sandile.Dlamini@msunduzi.gov.za
3.	(MPAC Chair) MAGUBANE ZWELINJANI HENRY(IFP)	072 566 7105 *4531
PR COUNCILLOURS		
1.	DLAMINI THOLAKELE IGNETIA (ANC)	072 212 3375 *5160/Tholakele.Dlamini@msunduzi.gov.za
2.	MKHIZE DORCAS SIBONGILE (ANC)	083 331 3170 *4707
3.	SITHOLE PHILISIWE (ANC)	072 398 5852 *4711/Philisiwe.Sithole@msunduzi.gov.za
4.	PHUNGULA VICTORIA MAVIE (ANC)	076 070 6202 *5168
5.	MKHIZE THANDIWE (ANC)	084 365 0015
6.	LYNE SANDRA PATRICIA (DA)	082 896 5264 *5177
7.	MGAGA LUNGILE (DA)	072 277 2106/Lungile.mgaga@msunduzi.gov.za
8.	NGUBO ZINHLE (DA)	074 045 5089 *5169
9.	SIBUSISO DESMOND CHONCO (DA)	083 364 5968 *4720/Sibusiso.Chonco@msunduzi.goc.za
10.	PHUNGULA NOMATHEMBA (DA)	072 933 4641
11.	MAPHANGA PRETTY NELISIWE (IFP)	071 284 7218
12.	NTOMBELA THANDANAM DESMOND (IFP)	082 383 9237
13.	NDLOVU NOMFUNDO (IFP)	082 811 9752
14.	SHEZI MBONGENI JETRO (IFP)	073 361 4756
15.	MAHOMED SHAMEEL RAHMAN (IFP)	0798058791
16.	GCABASHE SANDILE (ABC)	084 081 6954
17.	NIEMAND REINUS (ACDP)	076 289 0982 *4763/Rienus.Niemand@msunduzi.gov.za
18.	DLELA NOMALADY ELEANOR (AIC)	068 297 3536
19.	NDLOVU SINENHLANHLA LOVE-JOY (JEP)	072 503 1338/cneshamase@gmail.com
20.	ADAMS RANDAL JOHN (PA)	072 213 3175/Sagewise1322@gmail.com
21.	MKIZE BEATRICE NOMBUYISELO (EFF)	073 117 7938
22.	MNCWABE STANLEY NTUTHUKO (EFF)	072 010 6249
23.	CELE THOLAKELE NELISIWE (EFF)	076 015 8819
24.	MBONA BONGANI DUM'SANI (EFF)	078 627 7784/mpungashe@gmail.com
25.	NGCOBO AYANDA BRENDA (EFF)	079 110 5520
26.	MNCUBE NOMUSA WENDY (EFF)	071 032 4930
27.	SITHOLE SIBONISO (EFF)	061 456 1253
28.	MPULO SANELE PROTAS (EFF)	063 702 6418
29.	MZILA THEMBILE PRECIOUS MEMORY (EFF)	065 507 7003/Thembile.Mzila@msunduzi.gov.za

POPULATION STATISTICS FOR MSUNDUZI MUNICIPALITY

The population of Msunduzi Local Municipality has grown significantly over years from R621 715 in 2011 to R817 725 in 2022, and the increase between these years is R196 010. The increase has been influenced by several factors which includes inward migration and immigration. People has moved to the city for academics and employment purposes. Wards population in the municipality increased with more than 5000 people. The number of households also increased from R164 757 in 2011 to R213 727 in 2022, and the increase between these two years is R48 970.

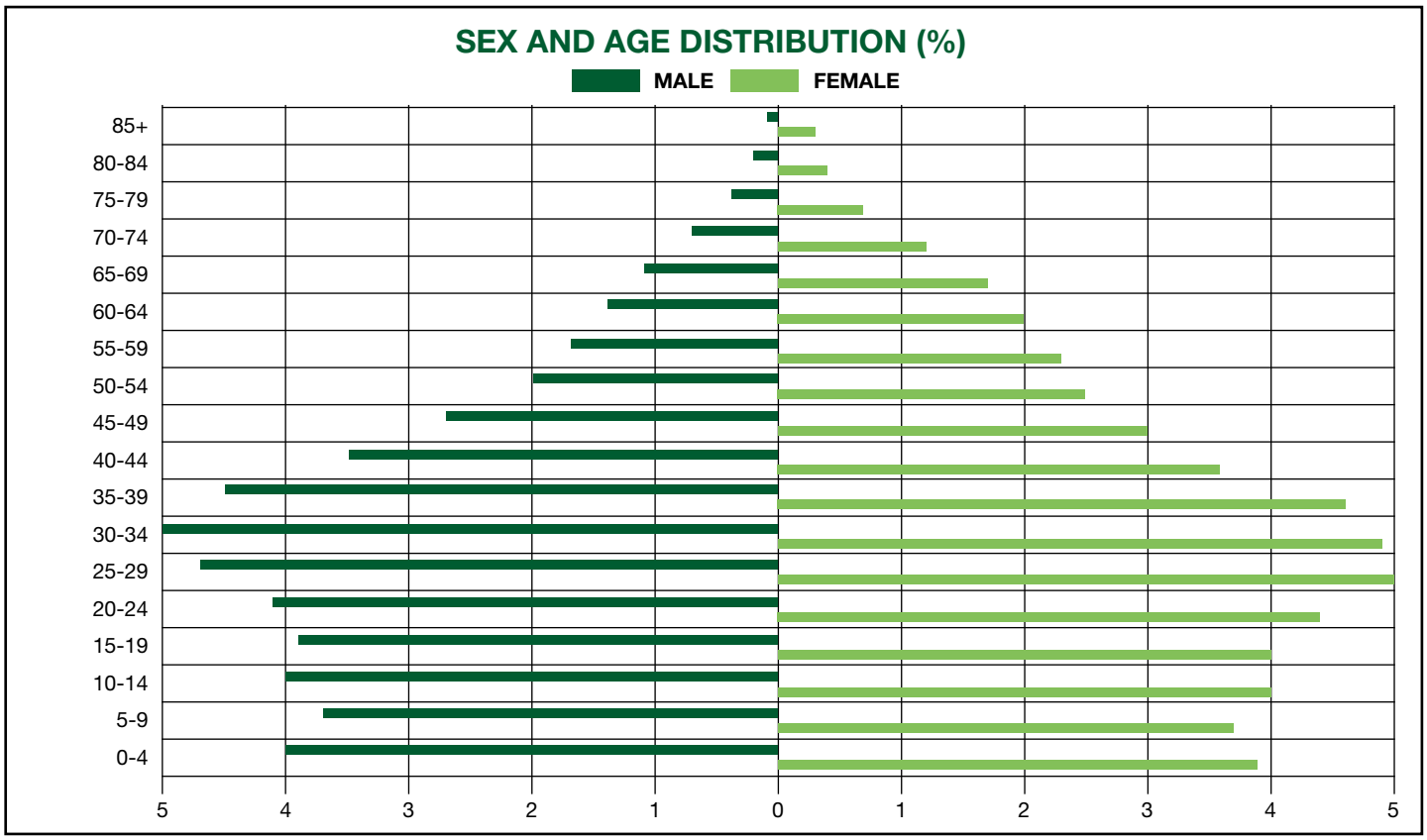
The wards with the highest population density are wards 1 in the Vulindlela ABM, wards 11, 13, 15, 17 and 18 of the Greater Edendale and Imbali ABM, and wards 29 and 30 located in the Northern Areas ABM. The Greater Edendale / Imbali ABM accounts for 37.7% of the total population. High population densities are also found in wards 2, 3, and 5. Significantly, these wards are located outside the existing urban edge. To develop credible

population and household projections it is important to review existing information together with past and current trends at a provincial, district and local level. Furthermore, the ABM areas have different social and economic compositions. These factors play a role in determining the future population growth in the designated ABM areas.

Population projections are critical in the development of the Spatial Development Framework as they guide future planning in terms of aspects such as new job opportunities, housing requirements, infrastructure demand and recreational spaces. Section 21(e) of SPLUMA requires the SDF to include population growth estimates for the next five years. However, the Msunduzi SDF intends to take a long-term view and therefore the population projections will be extrapolated until 2050 using a growth model. The purpose of the growth model is to illustrate the change in population throughout the Municipality since changes in population affect the spatial dynamics within each ABM. The table below depicts the population projections.

Year	Low Population Growth 1.1%	Medium Growth Rate 2.2%	High Growth Rate 3.3%
2026	742 924	852 526	950 210
2027	751 096	871 282	981 567
2028	759 268	890 038	1 012 924
2029	767 440	908 794	1 044 281
2030	775 612	927 550	1 075 638

Msunduzi population Distribution (Pyramid) – Census 2022



MSUNDUZI DEMOGRAPHIC PROFILE (CENSUS 2022 VS CENSUS 2011)

Name	2022	2011
Total population	817 725	621 715
Young children (0-14 years)	23.5%	26.7%
Working are population (15-64 years)	69.7%	68.3%
Elderly (65+ years)	6.8%	5.0%
Dependency ratio	43.4	46.4
Sex ratio	91.3	90.8
No schooling (20+ years)	4.0%	5.5%
Higher education (20+ years)	14.6%	12.8%
Number of households	213 727	164 757
Average household size	3.8	3.8
Formal dwellings	90.5%	73.5%
Flush toilets connected to sewerage	63%	73.5%
Weekly Refuse disposal service	56.6%	53.1%
Access to piped water in the dwelling	54.5%	47.9%
Electricity for lighting	98%	91.9%

CIRCULAR NO. 11 OF MFMA REGARDING THE PROGRESS MADE IN ELIMINATING BACKLOGS IN KEY SERVICE DELIVERY AREAS SUCH AS WATER, ELECTRICITY, SANITATION, REFUSE REMOVAL, AND ROADS

	2022/23			2023/24			2024/25		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
WATER BACKLOGS									
Backlogs to be eliminated (No. of Households receiving minimum standard of services)	N/A	N/A	152 617	N/A	N/A	152 714	N/A	N/A	194 446
Backlogs to be eliminated (Percentage identifies as Backlog/Total Household in Municipality)	N/A	N/A	15,95%	N/A	N/A	15,89%	N/A	N/A	9,02%
Spending on New Infrastructure to eliminate Backlog	79 168 106,50	79 168 106,50	70 612 837,10	111 119 727,53	111 119 727,53	78 803 164,29	112 393 585,00	112 393 585,00	78 162 409,76
Spending on Renewal of existing Infrastructure to eliminate Backlog	97 635,00	97 635,00	84 900,00	-	-	-	2 727 295,24	2 727 295,24	2 371 561,35
Total Spending to eliminate Backlogs	79 265 741,50	79 265 741,50	70 697 737,10	111 119 727,53	111 119 727,53	78 803 164,29	115 120 880,24	115 120 880,24	80 533 971,11
Spending on Maintenance to ensure No new Backlogs created	29 005 000,00	29 005 000,00	26 276 612,04	21 871 156,00	21 871 156,00	24 088 134,44	29 005 000,00	29 005 000,00	26 276 612,04
SANITATION BACKLOGS									
Backlogs to be eliminated (No. of Households receiving minimum standard of services)	N/A	N/A	94 700	N/A	N/A	97 639	N/A	N/A	100 466
Backlogs to be eliminated (Percentage identifies as Backlog/Total Household in Municipality)	N/A	N/A	47,84%	N/A	N/A	46,23%	N/A	N/A	53,00%
Spending on New Infrastructure to eliminate Backlog	112 664 925,49	112 664 925,49	95 378 744,95	120 227 991,90	120 227 991,90	89 718 683,43	138 726 589,57	138 726 589,57	108 315 532,05
Spending on Renewal of existing Infrastructure to eliminate Backlog	522 365,00	522 365,00	476 056,61	3 300 000,00	3 300 000,00	498 004,12	2 727 295,24	2 727 295,24	2 371 561,35
Total Spending to eliminate Backlogs	113 187 290,49	113 187 290,49	95 854 801,56	123 527 991,90	123 527 991,90	90 216 687,55	141 453 884,81	141 453 884,81	110 687 093,40
Spending on Maintenance to ensure No new Backlogs created	6 965 000,00	6 965 000,00	4 599 734,39	12 100 000,00	12 100 000,00	11 605 367,44	6 965 000,00	6 965 000,00	4 599 734,39
ELECTRICITY									
Backlogs to be eliminated (No. of Households receiving minimum standard of services)	2996	120	120	2984	700	854	2130	430	484
Backlogs to be eliminated (Percentage identifies as Backlog/Total Household in Municipality)	2996/ 87614 (3%)	120/ 87614 (0,14%)	120/ 87614 (0,14%)	2984/ 87614 (3,4%)	700/ 87614 (0,8%)	854/ 87614 (0,97%)	2130/ 87614 (2,43%)	430/ 87614 (0,49%	484/ 87614 (0,55%
Spending on New Infrastructure to eliminate Backlog	90 000 000,00	5 440 000,00	5 440 000,00	84 560 000,00	-	-	84 560 000,00	7 117 022,00	6 858 600,00
Spending on Renewal of existing Infrastructure to eliminate Backlog	150 000 000,00	29 966 582,00	29 782 092,00	120 033 418,00	-	-	120 033 418,00	-	-
Total Spending to eliminate Backlogs	240 000 000,00	35 406 582,00	35 222 092,00	204 593 418,00			204 593 418,00	7 117 022,00	6 858 600,00
Spending on Maintenance to ensure No new Backlogs created	303 996 844,64	119 562 051,28	123 908 563,20	390 982 453,00	199 682 343,50	191 828 218,56	254 471 671,00	183 092 997,00	168 369 294,44
ROADS									
Backlogs to be eliminated (No. of Households receiving minimum standard of services)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Backlogs to be eliminated (Percentage identifies as Backlog/Total Household in Municipality)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending on New Infrastructure to eliminate Backlog	N/A	R46 408 341	R41 031 904	N/A	R38 040 102	R35 641 854	N/A	R58 183 464	R39 305 207
Spending on Renewal of existing Infrastructure to eliminate Backlog	N/A		R115 550 660	N/A	R33 600 000	R96 223 485	N/A	R65 495 387	R209 298 612
Total Spending to eliminate Backlogs	N/A	R46 408 341	R156 582 564	N/A	R71 640 102	R131 865 339	N/A	R123 678 851	R248 603 819
Spending on Maintenance to ensure No new Backlogs created	N/A	R25 064 942	R74 033 544	N/A	R145 308 282	R147 492 872	N/A	R125 084 383	R156 871 615

TOP ADMINISTRATIVE STRUCTURE

TIER 1
CITY MANAGER Vacant
FUNCTIONS
• Strategic Direction and leadership • Service Delivery • Financial Management • Communication
TIER 2
MUNICIPAL MANAGER Vacant

CHIEF FINANCIAL OFFICER
N Ngcobo

DEPUTY MUNICIPAL MANAGER: Corporate Services
M Molapo

DEPUTY MUNICIPAL MANAGER: Community Services
Vacant

DEPUTY MUNICIPAL MANAGER: Infrastructure Services
S Hlela

DEPUTY MUNICIPAL MANAGER: Sustainable Development
N Khuzwayo

DEPUTY MUNICIPAL MANAGER: Electricity Supply Services
S Mchunu

- It must be stated that the Approved Structure does not consider the DMM Electricity, however it must be noted that Mr S Mchunu was appointed as DMM: Electricity Supply Services during the financial year.
- During the 2024/2025 Financial Year, Ms. N Ngcobo and Mr s Hlela both acted as the Municipal Manager.
- Mr O Langa and Mr S Khoza Acted in the role of CFO during the financial year.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Msunduzi has an Intergovernmental relations function that is responsible for promoting and facilitating effective and efficient intergovernmental relations between the National, Provincial, and local governments. Msunduzi participates in structures that have been established to ensure cooperative governance towards fast tracking integrated service delivery. The Intergovernmental relations function provides support to the Mayor and the Municipal Manager through facilitating inter-sphere and inter-sectoral intergovernmental cooperation.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Provincial intergovernmental structures include SALGA, MUNIMEC, Technical MUNIMEC, Premier's Coordinating Forum (PCF), and the Local Government Communicators Forum. Through the effective cooperative governance and intergovernmental relations, the following projects are in place:

- Vulindlela Bulk Water Supply Scheme
- Umkhomazi Water project
- Darville wastewater treatment plant
- Disaster response funding
- Electrification of Informal Settlements
- Expanded Public Works Programme
- Integrated Public Transport network.
- Human settlements housing
- SMME funding programme

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipal entity (Safe City) has a legally constituted board. The board approves the business plan and the associated budget for the entity. These documents are submitted to the municipality for approval. The business plan outlines the Key Performance Area and Indicators (KPAs and KPIs). The (KPAs and KPIs) are included in the SDBIP of the municipality. The delivery on the milestones is monitored monthly by the submission of a monthly report, and this report is submitted to all relevant municipal committees for review. An annual report together with audited financial statements of the entity are submitted to the municipality for consideration and approval.

DISTRICT INTERGOVERNMENTAL STRUCTURES

Municipalities are coordinated at District Level through the District Development Model. The following are existing structure that Msunduzi participates in:

- Political Hub
- Technical Hub
- Justice and Community Safety
- Economic and Infrastructure Cluster
- Governance and Administration
- Community and Social Cluster
- IDP Representatives Forum
- Communications Forum
- LED Forum
- Tourism Forum

There are various structures where IGR takes place in the Municipality, one of the key intergovernmental Structures is through the Disaster Management Meetings that involve various stakeholders, from within the District and Provincial Structures. There is also a JOC meeting that are convened when there is an impending disaster that has been communicated.

Stakeholder engagements to discuss tariffs and IDP preparations are also part of the Intergovernmental relations in enhancing Public Participation that strengthens Intergovernmental relations as various stakeholder get an opportunity to contribute to the development of the IDP but also add projects from other departments that are taking place in and around the municipal boundary of the Municipality.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

PUBLIC PARTICIPATION

Various forms of public engagements have been conducted during this financial year to promote meaningful public participation in the development of the IDP. The municipality has undertaken extensive consultation with stakeholders and the public to ensure their involvement in the planning and budgeting processes.

The Municipality has actively engaged with the provincial government, businesses, and ratepayers to consult on the proposed increases and decreases in rates and tariffs, with the aim of fostering a strong and transparent relationship with our customers. Additionally, the Municipality continuously shares development and project-related information with stakeholders and ward committee members. These consultations serve as a platform to communicate the municipal vision and strategic direction to both stakeholders and the broader public.

The primary objective of these engagements is to ensure that service delivery priorities and constructive development ideas are captured in the Municipal's strategic planning and, where feasible, reflected in the Municipal Budget. Throughout the year, the Municipality successfully engaged with the community to discuss upcoming projects and gather input on future development initiatives within the area.

The Municipality has also engaged Sector Departments and SOEs as part of the IDP Review process. As a key component of this process, the Municipality convened four IDP Forums during the financial year. These forums play a critical role in facilitating consultation with Sector Departments, State-Owned Entities (SOEs), and members of the public who wish to participate.

Through these platforms, valuable input is gathered to inform and enhance the alignment of the IDP with sectoral priorities and community needs.

PUBLIC PARTICIPATION DATES
25 April 2025 - Amakhosi Consultations
17 May 2025 - Ratepayers Association and Ward Committee Consultation
23 May 2025 – Business Consultation

IDP FORUMS MEETING DATES
26 July 2024
01 November 2024
07 March 2025
27 June 2025

COMPONENT D: CORPORATE GOVERNANCE

ANTI-FRAUD AND CORRUPTION

Internal Audit Function
The primary objective of the Internal Audit Function is to provide an independent and objective assurance and consulting activity services designed to add value and improve Msunduzi Municipality's operations through a systematic, disciplined approach to evaluate and improve the effectiveness of the system of internal control, risk management and governance processes.

Purpose of Internal Auditing

- Internal auditing strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.
  - Internal auditing enhances the organizations:
  - Successful achievement of its objectives.
  - Governance, risk management, and control processes.
  - Decision-making and oversight.
  - Reputation and credibility with its stakeholders.
  - Ability to serve the public interest.

- Internal auditing is most effective when:
  - It is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest.
  - The internal audit function is independently positioned with direct accountability to the Council.
  - Internal auditors are free from undue influence and committed to making objective assessments.

The definition of internal auditing has many facets that, if unpacked, gives a very good understanding of what an internal auditor is expected to do. Internal audit as a philosophy is a sounding board to Management and Council and designed to apprise and advise the Council, Accounting Officer and Management on governance, risk management and internal controls processes. This affirms the attitude of the internal auditor's role in the internal audit activity that by its nature, Internal Audit Unit is a governance structure which facilitates improvement on service delivery vehicle by reviewing the design and effectiveness of the system of internal controls around the core mandate and support functions of the municipality. Its role is critical in promoting and enhancing the control environment through auditing and recommending solutions to management.

The King IV Report on Governance underpins the need for Audit Committees in the pursuit of good governance. It aligns the function of internal and external audit directly with the oversight by the Audit Committee. In a municipal environment, there are oversight committees of Council who are role-players to advocate for the combined assurance model. The Audit Committee 's primary focus is on accounting policies, adequacy, reliability and accuracy of financial reporting & information, risk management, effective governance, performance management performance evaluation and system of internal control space within the organization.

A balance between the assurance function and consulting activity is required based on a risk assessment exercise and a report of the Auditor General. The areas with high risks and strong controls in terms of their design against the risks exposures as per the assessment by management are considered when developing the Internal Audit Plan to provide an independent assurance on the adequacy of the design and effectiveness of the systems of internal control implemented by management. In instances where controls are found to be inadequate in terms of design its operation ineffective recommendations are provided to management to mitigate against the identified risk exposures. Consulting Activities are undertaken in instances where significant risk exposures have no mitigating controls and management is struggling to design solutions. A Consulting Activity only kicks in when management has realized that it has a huge difficulty in solving the deficiencies in the system of internal control. In such situations, it is either management who requests assistance in the development of the control activities to be owned by management or alternatively, Internal Audit Unit demonstrates and convince management that the deficiencies in the governance, risk management and system of internal control persist and if they are not resolved by management will result in a catastrophic state.

It is critical to state that it is very difficult to convince top management and Accounting Officer, accept consulting activity and we have not yet established reasons for lack of appreciation and acceptance of Consulting Activity by Internal Audit Unit or resistance. Internal Audit treads carefully in its involvement with this process as to not create a conflict in its independence at a later stage.

Management and Accounting Officer should realize that the Internal Audit Unit is designed to be an independent and objective assurance and consulting activity services designed to add value and improve Msunduzi Municipality's operations through a systematic, disciplined approach to evaluate and improve the effectiveness of the system of internal control, risk management and governance processes. This dream of adding value and improve Msunduzi Municipality's operations can only be realized if the Internal Audit Unit is given adequate resources and to be allowed to play its role of providing independent and objective assurance and consulting activity services, in the way it believes under the leadership and guidance of its Audit Committee. Strong support from the Accounting Officer, Senior Management and Council is vital for providing resources, access to information, and ensuring the implementation of internal audit recommendations and enforce accountability. The Accounting Officer, Top Management, Portfolio Committees, Executive Committee and Council must play adequate and vigorous role in their oversight and holding management accountable.

The crux of the matter is that management in general does not implement recommendations and the agreed action plan between management and Internal Audit Unit which is a commitment they made. This is exhibited by the long list of outstanding reports that were requested by the Audit Committee. The Audit Committee of Msunduzi Municipality pronounced itself that it was critical for management and staff to give respect to the Internal Audit Unit.

Service Statistics for Internal Audit Unit
Internal Audit Unit is operating on the 2023 structure as approved by Council in June 2023. This happened after Council had approved that Internal Audit Unit be given a special dispensation in order to resolve the lack of adequate human capital in this unit. After the review of the organogram of the Internal Audit Unit and writing of the new job descriptions a submission was made to the SALGA Job evaluation team to prioritize internal audits' new structure. The following vacant posits were advertised in May 2023:

- 2 x Senior Audit Managers,
- 4 x Senior Internal Auditors,
- 1 x Senior Internal Auditor ICT,
- 10 x Internal Auditor positions, and
- 1 x Administration Officer.

The recruitment process was however very slow which was presumably caused by Human Resource Management's capacity compared to work expected of them in so far as recruitment is concerned. The following positions are currently filled:

- 1 x Chief Audit Executive
- 1 x Personal Assistant
- 1 x Senior Audit Manager,
- 3 x Senior Internal Auditors, and
- 6 x Internal Auditors.

We have had three resignations three (3) x Internal Auditors and one (1) x Senior Internal Auditor. The following positions are vacant:

- 1 x Senior Audit Manager,
- 1 x Senior Internal Auditor ICT,
- 1 x Senior Internal Auditor,
- 19 x Internal Auditors, and
- 1 x Administration Officer.

We have conducted interviews for the vacant position of a Senior Audit Manager and waiting for Human Resources Management to finalise the process. The Human Resources Management is in a process of setting dates for interviews for 1 x Senior Internal Auditor ICT, 1 x Senior Internal Auditor and 10 x Internal Auditors.

The panel of Service Providers was appointed in June 2025 and continued to assist in bridging the gap created by the vacant positions in the unit. This had its own challenges which had to be managed as they affected the implementation of the Annual Audit Plan for 2024/25.

Thirty-nine (39) audits were planned for the 2024/25 FY and approved by the Audit Committee compared to thirty-three (33) audits planned for the 2023/24 FY. Of the planned audits at the beginning of the financial year, twenty-two (22) audits were completed. Fifteen (15) audits were moved to 2025/26 annual plan and two (2) will be completed in August 2025. We completed three (3) Consulting Activity at Revenue Management as approved by the Audit Committee. The fifteen (15) audits that could not be done and moved to 2025/26 was because of management not ready for follow-up audits as implementation of recommendations had been not actioned. Another reason is the changes caused by the acting Deputy Municipal Manager: Community Services since the post became vacant in April 2023 and Senior Managers having been acting interchangeable until 30 June 2025 which makes it difficult as there is no stability. Similar to the vacancy in the position of Deputy Municipal Manager: Electricity Supply Services for a prolonged period which was only filled in June 2025. The contract of the panel came to end in December 2024, and we had four (4) resignations which had a negative impact on the execution of plan.

The unit requested additional office space in 2023, however there is no positive response received from the Municipal Manager. This is an obstacle because we won't be able advertise all vacancies due to inadequate office space. This will further impact negatively to the consultant's reduction strategy of the municipality. The issue of office space has even been exacerbated as Council has approved the revised structure of Internal Audit Unit with effect from June 2025 which was informed by the Global standards of Internal Auditors, and the structure has increased drastically.

INTERNAL AUDIT

EMPLOYEE: INTERNAL AUDIT					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	-	-	-	-	-
T04-T08	1	2	1	1	50
T09–T13	8	16	13	3	19
T14-T18	1	3	2	1	33
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	**11**	**22**	**17**	**5**	**23**

SUPPLY CHAIN MANAGEMENT

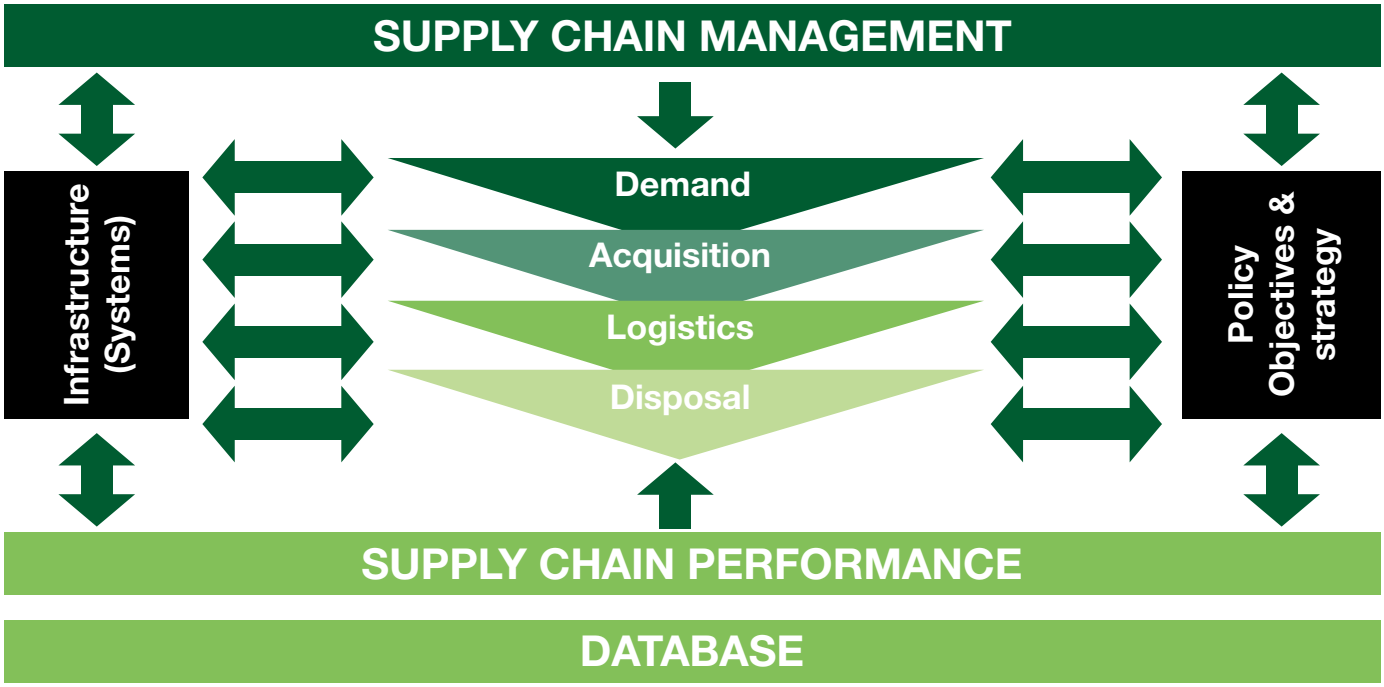
The Msunduzi Municipality's Supply Chain Management unit is a support function for all business units within the council to ensure provision of efficient, transparent, fair, equitable and cost-effective procurement services hence assisting the business units to implement their service delivery priorities.

During the 2024/25 financial year, SCM focused on three key priorities:

- **Enhancing Governance and Compliance** — Strengthening internal controls to align with the MFMA, PPPFA, CIDB Act, and associated regulations.
- **Supporting Service Delivery** — Procuring goods, work, and services that enabled the timely implementation of infrastructure projects, service delivery programmes, and operational needs.
- **Promoting Economic Inclusion** — Creating opportunities for local suppliers, SMMEs, and designated groups, in line with the municipality's economic empowerment objectives.

The supply chain management policy for the year 24/25 Financial year (FY) was adopted by Council on 31 May 2024 FY in term of SCM Regulation 3 (1) (a) and implemented immediately thereafter. The main changes were around allocation framework, contract work, rotation and the appeal procedures. An SCM implementation plan was development and implemented throughout the year and quarterly reports on implementation were submitted to Council.

In terms of the MFMA SCM regulations and relevant legislative provisions regulating local government procurement, the SCM policy of the municipality must provide for a system of demand, acquisition, logistics, disposal, risk and performance management, and thus the Msunduzi SCM policy has been aligned accordingly. The following is a brief overview of the processes that have been established and implemented within the Supply Chain Management system as drawn from the SCM model below.



Demand Management
The Procurement Plan defines the Supply Chain Management needs of the organization, aligned to the municipality's IDP, Budget and Departmental SDBIP. The plan is for a minimum of one year but aligned to the IDP three-year period, this is especially critical in the case of capital projects requiring the issuing of bids for multiyear projects, as well as in order to obtain cost savings through longer term goods and service contracts (limited to a three-year period in terms of the MFMA).

The main objective of the plan is to assist the service deliver business units to achieve their service delivery mandates and to meet their service delivery requirements without any SCM processes delays and this forms the integral component of the entire process to ensure effectiveness, efficient and economical SCM processes. The preferential policy objectives were identified at a global level hence financial year a procurement plan was established and implemented.

ACQUISITION MANAGEMENT

Governance and Oversight:
SCM activities were overseen by the Bid Specification, Bid Evaluation, and Bid Adjudication Committees, with council oversight via MPAC.

Internal audit reviews and external audits by the Auditor-General provided assurance on compliance, with corrective actions implemented for identified gaps.

Bid committee structures were established and implemented in accordance with section 27, 28 and 29 of the Supply Chain Management regulations, as well as Infrastructure policy. Details of SCM committees during 2024/2025 financial year:

The SCM unit in collaboration with end users strive to ensure that the three (3) tier Bid Committee structures are fully functional and well trained to execute their functions, it be note that tier 1 which is Bid specification Committee has two committees i.e. BSC technical and general in line with infrastructure model likewise on the tier 2 which is evaluation committees.

No.	Member	Position	Business Unit	Period
BSC [Technical]				
1.	Lindelwa Mngenela	SM: Roads and Transportation	IFS	01.07.2024 to 30.06.2025
2.	Sithembiso Thabethe	Manager: Planning & Customer Services	ESS	01.07.2024 to 30.06.2025
3.	Bukelani Mbhele	Manager: Buidlings, Facilities & Maintenance	CS	01.07.2024 to 30.06.2025
4.	Fathima Motha	Senior Technologist	ISF	01.07.2024 to 30.06.2025
5.	Sikelela Ndzalela	Manager: Demand and Acquisition	Budget & Treasury	01.07.2024 to 30.06.2025
6.	Phumlani Mbeje	Project Manager	SD & CE	01.07.2024 to 30.06.2025
BSC [G & S]				
1.	Sibusiso Mkhize	Manager: Logistics and Materials	Budget & Treasury	01.07.2024 to 30.06.2025
2.	Nontobeko Mofokeng	Senior Manager: City Entities	SD & CE	01.07.2024 to 30.06.2025
3.	Lungisani Ntuli	Senior Technologist	ESS	01.07.2024 to 30.06.2025
4.	Thavandree Gounder	Manager: Public Works	Corporate Services	01.07.2024 to 30.06.2025
5.	Fezeka Mthembu	Financial Controller	Community Services	01.07.2024 to 30.06.2025
6.	Vinesh Govender	Senior Contracts Officer	Budget & Treasury	01.07.2024 to 30.06.2025
BEC: Technical 1				
1.	Thamsanqa Makhanya	Senior Manager: PMU	Infrastructure Services	01.07.2024 to 30.06.2025
2.	Amahle Tyekela	Senior Contracts Officer	Budget & Treasury	01.07.2024 to 30.06.2025
3.	Bheki Sosibo	Manager: Operations & Maintenance	Infrastructure Services	01.07.2024 to 30.06.2025
4.	Phumlani Gumede	Senior Manager: Human Settlements	SD & CE	01.07.2024 to 30.06.2025

No.	Member	Position	Business Unit	Period
5.	Nkosikhona Mabizela	Project Manager: PMU	Infrastructure Services	01.07.2024 to 30.06.2025
6.	Nkosikhona Zondi	Manager: Technical Support	ESS	01.07.2024 to 19.03.2025
7.	Simphiwe Ntlela	Technician: ESS	ESS	01.04.2025 to 30.06.2025
BEC: Technical 2				
1.	Nkosikhona Zondi	Manager: Technical Support	ESS	20.03.2025 to 30.06.2025
2.	Njabulo Msomi	Chief Technician: Roads & Transportation	Infrastructure Services	14.03.2025 to 30.06.2025
3.	George Mwange	Technician: Buildings	Infrastructure Services	14.03.2025 to 30.06.2025
4.	Thabani Madlala	Chief Engineer: Planning	ESS	17.03.2025 to 30.06.2025
5.	Vuyani Msimang	Contract Officer	Budget & Treasury	17.03.2025 to 30.06.2025
6.	Shaylin Nelson	Technician: Water	Infrastructure Services	24.03.2025 to 30.06.2025
7.	Sipho Nxumalo	Senior Manager: Expenditure Management	Budget & Treasury	24.03.2025 to 30.06.2025
BEC: [G&S][1]				
1.	Simphiwe Mbanjwa	Manager: Informal Settlements	SD & CE	01.07.2024 to 30.06.2025
2.	Sandile Zondi	Senior Manager: Political Support	Political Office	01.07.2024 to 30.06.2025
3.	Nombuso Ngidi	Senior Town Planner	SD& CE	01.07.2024 to 30.06.2025
4.	Thokozani Gumede	Manager: Workshop	Budget & Treasury	01.07.2024 to 30.06.2025
5.	Sinothile Hlophe	Manager: Fleet	Budget & Treasury	01.07.2024 to 30.06.2025
6.	Thandanani Zondi	Manager: Revenue Enhancement	ESS	01.07.2024 to 30.06.2025
7.	Mxolisi Dladla	Manager: Contract Management	Budget & Treasury	01.07.2024 to 30.06.2025
BEC: [G & S][2]				
1.	Manqoba Ntuli	Senior Manager: Assets and Liability	Budget & Treasury	01.11.2024 to 30.06.2025
2.	Indrasen Chetty	Senior Manager: Strategic Planning	Corporate Business Unit	01.11.2024 to 30.06.2025
3.	Thamsanqa Mthethwa	Monitoring Officer	Budget & Treasury	01.11.2024 to 30.06.2025
4.	Amanda Ndlovu	Project Manager	SD & CE	01.11.2024 to 30.06.2025
5.	Nyakane Khoali	Manager: Town Planning & Environmental Management	SD & CE	01.11.2024 to 30.06.2025
6.	Simon Ndlamlenze	Manager: Airport	SD & CE	01.11.2024 to 30.06.2025
7.	Sindiswa Ngcobo	Project Manager: PMU	Infrastructure Services	01.11.2024 to 30.06.2025
BEC: [G & S][3]				
1.	Simtholile Myneni	Manager: Economic Development	SD & CE	01.03.2025 to 30.06.2025
2.	Njabulo Togane	Public Participation Speaker	Corporate Business Unit	01.03.2025 to 30.06.2025
3.	Xolile Ngebulana	Senior Manager: ICT	Corporate Services	01.03.2025 to 30.06.2025
4.	Xolile Hulane	Manager: ABM	Community Services	01.03.2025 to 30.06.2025
5.	Lindiwe Madlala	Manager: Creditors	Budget & Treasury	01.03.2025 to 30.06.2025
6.	Siwelile Zimu	Manager: IDP	Corporate Business Unit	01.03.2025 to 30.06.2025
7.	Minenhle Msomi	Buyer	Budget & Treasury	01.03.2025 to 30.06.2025
BAC				
1.	Sifiso Khoza	CFO [A]	Budget & Treasury	11.09.2024 to 31.12.2024 & 19.03.2025 to 30.06.2025
2.	Dr. Dudu Gambu	Director: Supply Chain Management	Budget & Treasury	01.07.2024 to 30.06.2025
3.	Sabelo Hlela	Deputy Municipal Manager: IFS	Infrastructure Services	16.09.2024 to 30.06.2025
4.	Simphiwe Mchunu	Deputy Municipal Manager: ESS	ESS	01.05.2025 to 30.06.2025
5.	Mandla Zuma	Deputy Municipal Manager: Community Services [A]	Community Services	20.03.2025 to 30.06.2025
6.	Nhlanhla Khuzwayo	Deputy Municipal Manager: SD & CE [A]	SD & CE	01.10.2024 to 30.06.2025
7.	Mosa Molapo	Deputy Municipal Manager: Corporate Services	Corporate Services	01.07.2024 to 30.06.2025

Strategic Impact:
Accelerated delivery of key municipal projects. Strengthened financial stewardship and value for money in procurement. Increased participation of historically disadvantaged individuals in municipal supply chains.

Looking Ahead:
Rolling out a fully functional e-procurement system in the next couple of years. To Enhance supplier performance monitoring by conducting targeted training for municipal officials and suppliers to improve capacity and compliance. Reviewing and updating the SCM policy to incorporate legislative changes and best practices.

Training of SCM Practitioners and Bid Committees
The municipality does train SCM Management, SCM practitioners and Bid Committee members on new regulations or any other developments, in the 24/25 FY the municipality relied mainly on training provided by treasury, MISA and COGTA due to budget constraints.

LOGISTICS MANAGEMENT

An effective system of logistics management has been established. The continuous interrogation of inventories and improvements on systems and processes has yielded positive results in that there is a progressive reduction of stock holdings. Part of logistics management is to establish and implement appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased; regular checking of stock; and monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Part of the responsibilities of logistic management is to safeguard and maintain stock; Camera systems have been installed, and this will greatly help in minimizing some of the losses that are associated with stock theft.

RISK MANAGEMENT

Risk Management & Performance Management
A SCM policy and procedures database that ensures compliance and monitoring of compliance with the SCM regulations and processes has been developed and implemented. The database enforces accountability to all individuals involved in SCM and to ensure that SCM processes are independently monitored to ensure that the SCM policy is followed and desired objectives are achieved.

There is a proposed subunit within SCM that will deal directly with risk in supply chain as well management of records.

DEMAND MANAGEMENT

Implementation of the Procurement Plan For the 24/25 Financial Year
The value of the planned procurement for 24/25 Financial Year amounts to three billion three hundred thirteen million five hundred fifty-six thousand three hundred sixty and five tenths (R3,313,556,360.5).

The value of (R2,037,264,445.00) projects have contracts in place for the fourth quarter of the 24/25 financial year and the value of (R1,276,291,915.5) projects must be advertised.

In some projects, the expenditure will span over multiple financial periods and there are two hundred and forty-one (241) set to be procured in the fourth quarter of the 24/25 financial year.

Out of these projects, one hundred and twenty (120) projects have been finalized i.e., procurement processes have been completed.

The analysis of the progress of the projects in terms of percentages is as follows: projects that have been finalized (50%), projects still on the pipeline (38%), and projects that have not started (12%).

The main Challenge experienced in the 24/25 FY turned around in terms tender period coursed by the overload of advert on certain months putting too much pressure on committees.

The table below depicts the Summarized Procurement Plan per Business Unit

Business unit (Rands)	Total Value	Projects with Contracts in place as of 30 June 2025	Projects that have been to the bid Spec and awarded 24/25	Projects that have not yet been tabled.
Corporate Services	125 471 040	51,735,520	53 200 000	20 535 520
Community services	57 921 746	23,660,873	31 260 873	3 000 000
SD & CE/Town Planning & Environment	1 386 386 825.6	1,202,186,007	144 237 768.60	39 963 050
Electricity Services	701 406 215	347,005,128	346 401 087	8 000 000
Budget & Treasury	143 440 000	78,800,000	64 640 000	-
IFS	876 630 533.9	329,976,917	538 653 616.90	8 000 000
CBU	22 300 000	3 900 000	18 400 000	-
TOTAL	**3 313 556 360.5**	**2 037 264 445**	**1 196 793 345.5**	**79 498 570.00**

SUMMARY STATISTICS	
The Planned Procurement for the financial year 24/25 can be summarised as follows:	
Total planned procurement value	**R3 313 556 360.50**
Contracts in place for Q4	**R2 037 264 445.00**
Projects to be advertised	**R1 276 291 915.50**
Total projects for Q4 procurement:	**241**
Finalised: 120 projects	**(50%)**
In pipeline: 92 projects	**(38%)**
Not started: 29 projects	**(12%)**

Challenges
High Bid Volumes: The municipality continues to receive a significant number of bids, which puts pressure on bid committees to process, evaluate, and finalise awards within the legislated 90-day period.
Quorum Constraints: Many bid committee members hold full-time roles within their respective business units. SCM committee work is an additional responsibility, which can affect their availability and cause delays when quorum is not met.
Workload Clustering: Large volumes of tenders are often advertised in the same period, creating bottlenecks in the evaluation and adjudication process.
Backlog Management: To address these challenges, management has increased the number of committees as follows:
Bid Specification Committees (BSC): 2
Bid Evaluation Committees (BEC) – Goods & Services: 3
Bid Evaluation Committees (BEC) – Technical: 2

These additional committees have helped to reduce the backlog and improve turnaround times, but sustained process management is required to ensure deadlines are consistently met.

CONTRACT MANAGEMENT

Monitoring and Contract Administration
In terms of section 116 (2) of the MFMA the accounting officer of a municipality must -

"Take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced; monitor on a monthly basis the performance of the contractor under the contract or agreement; establish capacity in the administration of the municipality to assist the accounting officer in carrying out the duties and to oversee the day-to-day management of the contractor under the contract or agreement;"

Therefore, a Contract management Office (monitoring) within the Supply Chain Management unit was established to adhere to the above act. The Contract Management Monitoring Section within the SCM Unit has been identified as a critical vehicle to benchmark between Project Management and Delivery against all awarded contracts.

Contract Management is foundational pillar towards a proactively managed and service centric supply chain management organization. Properly managed contracts can ensure that services are delivered within specification and at the agreed cost.

Contract Management is a sub-unit within Supply Chain Management delegated with the duties pertaining to the dispensation of processes associated with monitoring compliance with standards, procedures, regulations and specifications encompassed in Procurement Regulations with regards to the contract's enforcements, preparing and presenting investigational and qualitative reports.

To fulfil these mandates some of the activities the section embarks on are:

Stakeholder Management
Engaging with all relevant stakeholders, to ascertain the complexity and experience within the contractual obligations.

Compliance Monitoring & Reporting
Reviews and reports on how SCM, service providers and the department as a whole is performing against set standards and metrics, provides insight into how policies are followed, and identifies areas of opportunity to drive value through process efficiencies, and verification of variations requested by user departments.

Supplier Performance
Regular site visits and attending progress meetings which allow systematic management of supplier performance and building of work relationships to optimize the value for money in agreed deliverables throughout the project execution.

Challenges
The unit is not fully recognized as a functional office and often misunderstood by the rest of the organization as to its responsibility within Supplier Performance management context.

Inadequate SCM system to synchronize reporting and enhance performance indicators e.g. Coordination of information for the generation of monthly reports on Awarded Contracts is not automatically loaded at the point of letter of award during acquisitions process, which normally causes distortions and renders potential delays in the report generation at times.

Information management processes and procedures across functional structures are not aligned e.g. dissemination of resolutions regarding contract variations are delayed at times.

Project and Contract Management systems are not properly in place to mitigate risk of poor performance.

Appetite declines by vendors in doing business with the municipality because of delays in payment.

Contracts not renewed in time lead to unwarranted extensions of contracts which have the potential to lead to AG findings.

Lack of clear guide from legislation in terms of promoting local Economic development.

Administration

Suppliers Database (Front Desk) & Information Management
The database system has been given much needed attention considering the migration to SAP system. Currently the SAP system files in vendor data and ensures that duplication and redundant files are flag for deletion to ensure that when credit payment information is uploaded it links to authentic vendor information. The vendor banking details are changed as per CSD verification, which reduces fraudulent payment of suppliers.

The CSD is used to verify the information especially about SCM regulation 44, regarding the prohibition of awards to people in the service of the state which had been a serious concern as per the Auditors Generals' findings from the last report.

SAP system is being re-implemented to ensure that information management is catered regarding the analysis of historical procurement spending. This would assist in the demand management processes to ensure that Msunduzi Municipality factors in cost effectiveness as it procures goods, services and/or works as outlined through S217 of the RSA Constitution.

Challenges: Supplier Database
- Supplier Records are missing, i.e. some database forms cannot be accounted for in the filing system.
- Poor document management system i.e. the filing system is not user friendly when it comes to retrieving data.
- Lack of understanding the SCM legislative reforms i.e. Suppliers that do not understand the rationale behind submission of original documents when submitting Database forms.

Challenges: Information Desk
- Frustrated Suppliers who expect to be given work opportunities irrespective of the evaluation outcomes applicable
- Suppliers who buy tender documents 30 minutes before the Tender briefing meeting.
- Collusive practices between Suppliers and Officials that create expectations e.g. suppliers will receive information from municipal officials pertaining to Bids before the advertisements are even released for print media.

Logistics management

A quarterly stock take (cycle count) always assists in the constant evaluation of stock and in most cases the focus is on the following:

- High value inventory items
- Fast-moving inventory items.
- Inventory items with deficit quantity on SAP

Annual Year stock process involved the counting of the entire population of stock. The emphasis is to make sure that all stock is counted, and variances identified is processed on the system. In June 2025 year end stock counts all inventory items were counted amounting to 4458 individual inventory items with a book value of **R125 325 289.29**.

The cumulative losses balance of June 2025 stock-take amounted to **R5 315 621.28** which equates to 4.24% of the value of the counted book stock. The net loss amount came because of gains and losses count results which net each other resulting in net loss amount. This is an amount that is recorded and reflected in the Annual Financial Statement of the Council in terms of Note.

In June 2025 year end stock takes all inventory items were counted amounting to 4458 individual items with **R125 325 289.29**.

Inventory gains and losses arise from various factors within the management of inventory. The most common cause of inventory gains and losses are stock counts where physical inventory items counted do not agree to inventory quantities in SAP.

As part of inventory management, counting of inventory assists in the process of implementing controls to ensure that inventory records are maintained and disclosed appropriately in preparation of annual financial statements.

Inventory Measurement

Msunduzi Municipality Inventory Policy (page 8) measures inventory as follows:

Measurement at Recognition

- Inventories that qualify for recognition as assets shall initially be measured at cost
- Where inventories are acquired at no cost, or for nominal consideration, their costs shall be their fair value as at the date of acquisition.

Measurement After Recognition

- Inventories shall be measured at the lower of weighted average cost and net realization value, except where paragraph 18 applies,
- Inventories shall be measured at the lower of cost and current replacement cost where they are held for:
    - Distribution at no charge or for a nominal charge, or
    - Consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Analysis of the 24/25 Financial Year Stock take

The preparation and planning for the year-end inventory count started on 14 June 2025 when Central Stores was closed for undertaking inventory count. The Warehouse was completely shut down, and no issues and delivery of goods took place, only emergencies were attended to.

The purpose of conducting an inventory count is to verify and ascertain and benchmark the inventory records as reflected by the computer system and that of the physical inventory on hand. During the inventory count variances were identified, adjusting entries were processed into the SAP system to align the physical inventory (bin balance) to that on the SAP/ computer system The following two inventory accounts were therefore credited and debited as inventory losses and inventory gains:

- 2 310 000 000 INVENTORIES: LOSSES
- 2 810 000 000 INVENTORY GAINS

The inventory count proceeded smoothly with every member of the team demonstrating his or her efforts and energy in achieving a well-run physical count of inventory. The counting team comprised of Municipal staff members (Store men & Store Assistants).

The other desirable target for the inventory count is to rectify and address few issues i.e.

- The material number duplication
- Doubled Storage location of material
- Identify and rectify inventory count documents where material appears on more than one counting document.
- To sort and arrange material storage location or bin.

With the magnitude of inventory levels and volumes of material that are kept at Stores; it became evident that for a proper and successful inventory count to take place, more manpower and time needed is required. The process involved counting even on weekends to meet the target; it took us approximately 14 days to finish the entire process.

The counting process flow involved the physical counting of inventory where each bin is counted and where huge variances are noticed after capturing, verification is done in a form of recount.

The counted stock sheets were then checked and verified by a Manager of Logistics before being captured into the system.
During the process, several issues were identified and addressed before the adjustment took place. These issues involved checking duplicates of materials, inventory that appear on more than one counting sheet, material that also appear on several inventory locations.

The regular cycle count is needed because the outcome of this count will yield positive results going forward, in that, the proper monitoring of inventory and evaluation of inventory will reflect the true value of inventory on hand at any given time.

The new financial system (SAP) is able to provide useful inventory information i.e. ABC analysis of cycle counting see attached annexure ‘C’ of this report. In the new financial year 24/25, the stock will be counted regularly using the ABC analysis cycle counting. The inventory is classified based on their value and ABC analysis is a system for inventory control used throughout the materials management. Whatever sort of items on inventory it is used for, the approach works by setting all of them into distinct categories. Therefore, ABC analysis is a system of categorization, using three classes, of which each class has management control.

The ABC analysis, known as ABC Classification, refers to the three classes or categories used in the system. The first, A, is the category for items that are outstandingly important, or critical. The second, B, is the classification for items of average or middle importance. Finally, category C is the designation for relatively unimportant items. As a basis for a control scheme, each class ought to be handled in a different way. Which means, more attention will usually be devoted to category A items, with less to B and still further to C.

Inventory is valued on the Weighted Average costing method per location and is VAT exclusive.

All variances have been checked and validated for authenticity as well as reasonableness by the store man and signed off by the Manager Logistics as a proof of verification. The following entries were processed into the SAP system:

Stock Type	Sub-Ledger Account	Inventory Gains 2 810 000 000	Inventory Losses 2 310 000 000	Net Loss
Consumable	30 70 000 000	3 473 032, 93	-8 036 111,08	-4 599 078,15
Materials & Supplies	3 000 000 000	2 596 602,36	-3 313 145, 49	-716543,13
Total		**6 033 635,29**	**-11 349 256,57**	**-5 315 621,28**

Obsolete Stock Write-off

Inventory obsolete/ Damaged Stock: End of June 2025		
Account description	**Account Number**	**Amount**
Inventory: Write-off	2 370 000 000	-41 814, 00
Inventory loss for the year		

The supporting documentation for these changes in terms of Inventory losses and Inventory gains is attached in this report as annexure “A & B”. Below is the inventory movements analysis on consumptions and purchases, and balances for the past 3 Financial year.
Consumables Stock Movement Analysis for the Past 3 Years

Year	Opening Balance	Receipts	Issues	Closing Balance
2024/25	54 949 691, 21	121 339 524,34	-118 659 753,25	57 629 462,30
2023/24	54 896 893, 81	147 193 884,22	-147 141 086, 82	54 949 691,21
2022/23	33 620 158,24	143 550 170,28	-122 273 434,71	54 896 893,81
Total	143 466 743,26	412 083 578,84	-388 074 274,78	167 476 047,32

There has been 21,31% and 24% reduction in purchases and consumption respectively. This indicates good results aligning the municipality goal of cost cutting measures, this reduction did not affect the municipality operation, but good implementation of controls yielded the results. Furthermore, even though we bought less and consumed less we still manage to hold higher stock at year end for operations compared to 2 prior years. Indicating good stock levels at the beginning of the new fiscal year.

Materials & Supplies Stock Movement Analysis for the Past 4 Years

Year	Opening Balance	Receipts	Issues	Closing Balance
2024/25	67 858 424,57	84 165 158,46	-84 327 756,13	67 695 826,90
2023/24	55 549 249,09	103 569 902,18	-91 251 726,70	67 858 424,57
2022/23	41 310 862,20	89 674 340,13	-75 435 953,24	55 549 249,09
Total	**164 718 535,86**	**277 400 400,77**	**-251 015 436,07**	**191 103 500,56**

There has been 23% and 24% reduction in purchases and consumption respectively. This indicates good results aligning the municipality goal of cost cutting a containment, this reduction did not affect the municipality operation, but good implementation of controls yielded the results. Furthermore, even though we bought less and consumed less we still manage to hold higher stock at year end for operations compared to 2 prior years. Indicating good stock levels at the beginning of the new fiscal year.

Obsolete Inventory results for the financial year ended 2024/2025.

Inventory obsolete/ Damaged Stock: End of June 2025		
Account description	**Account Number**	**Amount**
Inventory: Write-off	2 370 000 000	-41 814, 00
Inventory loss for the year		

Variance value year on year. We endeavour to improve the controls to realize the minimum net variance every year.

Stock Count Variance

Stock Type	2025	2024	2023
Consumables	-4 599 078,15	-2 290 461, 25	3 298 426,41
Materials & Supplies	-716 543,13	-709 295,61	1 113 083,51
Total	**-5 315 621,28**	**-2 999 756, 86**	**-2 185 342, 90**

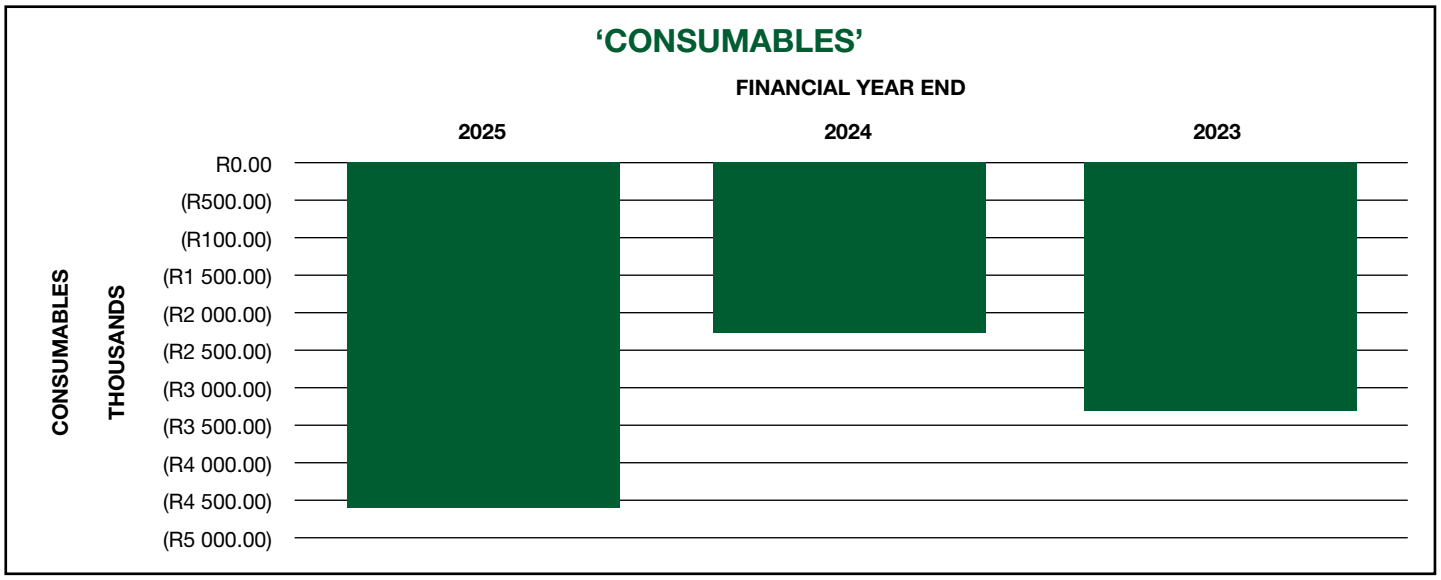
Net Loss % To Inventory Balance

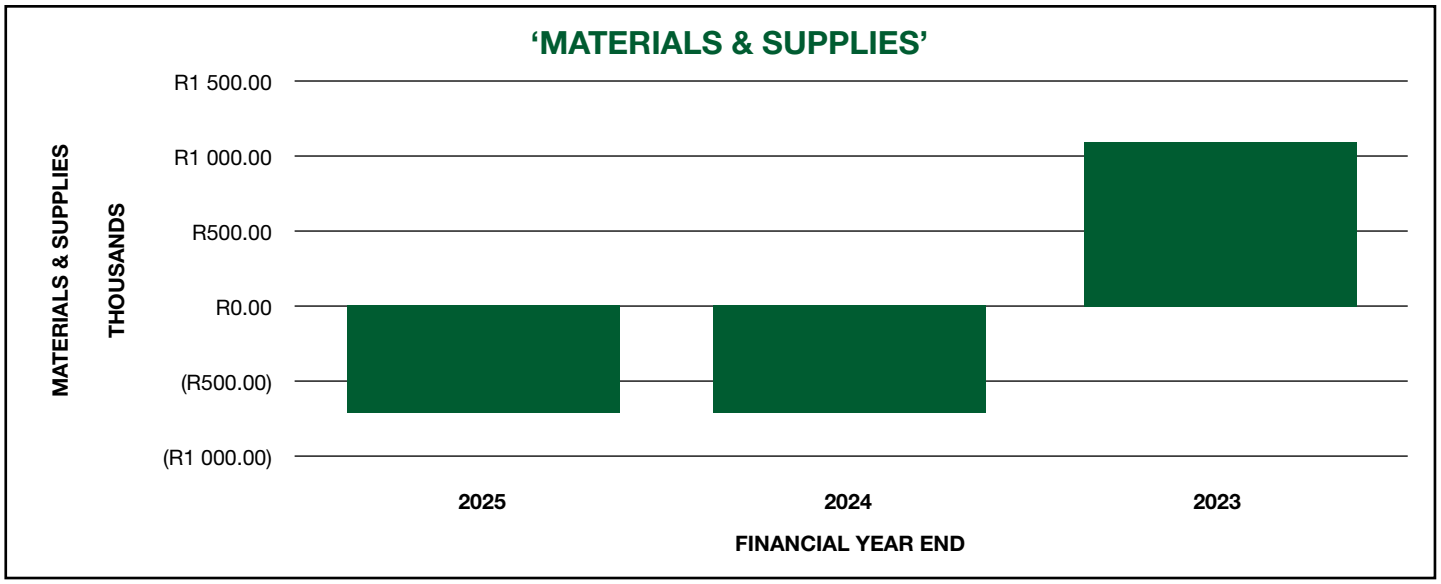
Stock Type	2025	2024	2023
Consumables	-7,98%	-4,17%	-6,01%
Materials & Supplies	-1,06%	-1,05%	2,00%

There has been an increase in stock loss as compared to the previous year, this increase is mainly attributed to an increase in consumable loss. This is susceptible to the nature of the stock (being directly consumable as a daily use item), increasing the risk of theft and human error in handling as it is high volume stock and huge bulks are ordered daily. This will further be investigated to find solutions to control and reduce these losses in the future.

There have not been any major increases in materials and supplies losses, which indicates that internal controls for this type of stock are effective and safeguard the municipal assets.

Below is the visual charts representation of inventory variances in the past 3 years.





Corrective Measures in Reducing Variances
There have been continuous efforts to reduce stock losses over the years, yet there are still obvious challenges that are there. Some of those are as follows:

Shortage of staff in issuing stock: they tend to work under pressure that might lead to human errors. Although there has been an introduction of review of issue slips to correct errors. We still believe some errors may remain undictated/corrected. Additional staff will assist in addressing the above-mentioned issues. However, we also require additional guards to be stationed at dispatch section to also endorse issue slips.
Theft: with the additional guard we can reduce to a minimum the shrinkage that is caused by theft.
Unit of measure: the stock needs to be bar coded, currently it is ensured that on receipt and shelving of stock, unit of measure is written for store man to know on issuing of stock.
The issuing of stock during standby: will need to be issued against the store's reservation. This will assist in avoiding a situation where at times stock is not being captured in the system.

To avoid errors in capturing stock sheets, the stock sheet is reviewed by manager and stores controllers before being captured if there are any errors. Recount Is performed. Staff roles and responsibilities implemented, especially at Receiving and dispatching section. At receiving section Stores

Controller to counter check and sign for all delivery.

Fuel

The Council has invested in the electronic fuel management system. All Council vehicles are now installed with a gadget that monitors all fuel transactions. The system is now in operation and the reports generated using the system are as follows:

- Detailed dispense transaction (per site)
- Hourly fuel grade total (per site)
- Monthly fuel grade total (per site)
- Monthly volumes (per site)
- Dispensed transaction total (per site)
- Detailed pump attendee authorization with name
- Vehicle site extract
- Detailed pump authorization (with vehicle information)
- Any suspicious transaction is brought to the attention of Internal Audit for their action. There has been some recognition of cost reduction potential on fuel issues and fuel purchases as a result of the new fuel management system. The consumption levels have steadily decreased. The investment on the fuel management system will provide more accurate cost controls and reporting. Reduce errors and human intervention when generating reports. Also help by providing real time fuel information as and when required. In the future the departments will be provided and advised on the litters each vehicle is consuming and frequency of refuels.
- This computer system is also assisting Msunduzi Municipality with the following control measures:
- Secure fuelling environment
- Controls pumps
- Minimum or no human intervention
- Fuel volume reduction
- Maximum accuracy
- Improved fuelling efficiency
- Reduced admin resources
- Accurate transaction information
- There are nine (9) fuel sites where fuel is stored and issued, and they are within the jurisdiction of Msunduzi Municipality. Our bowsers are all fitted with the fuel management system.

Table below indicates the location of fuel sites, the tank capacities and product types in terms of Diesel and Petrol.

	Depot	Diesel	Petrol
1.	FIRE STATION, 324 Pietermaritz St	1 x 4500 Litre	1 x 4 500 Litre
2.	PARKS Princess Margaret Dr Alexander Park	1 x 9000 Litre	1 x 9 000 Litre
3.	DUOLL RD, 30 Duoll Rd,	1 x 23 000 Litre	1 x 14000 Litre
4.	333 CHURCH STREET, Recommended Type of Vehicle-Rigid Access	No Diesel	1 x 9000 Litre
5.	ELECTRICAL DEPOT (Tank overhead Diesel) 111 Havelock Rd	1 x 4500 Litre	1 x 9 500 Litre
6.	Traffic, 121 Washington Rd	No Diesel	1 x 23 000 Litre
7.	Landfill Site (Tank Overhead), New England Rd	1 x 9000 Litre	No Petrol
8.	Fire Oribi, Oribi Rd	1 x 9000 Litre	No Petrol
9.	50 Otto's Bluff Road, Woodlands	1 x 4500 Litre	No Petrol

Information Drawn from The New Fuel Management System

In the 24/25 F/Y the budget spent was within the allocation of R56 million, as compared to the prior year where there was an over expenditure. Consumption also decreases in this financial year compared to the prior years. The constant monitoring of fuel movement has been intensified, and more measures have been put in place. The trip authority was introduced, where the refuelling only takes place when the driver produces it before a transaction can take place. There was also a change of personnel (Fuel Attendants) and staff from the office were assisting much of the better part of 2024-2025 financial year. Hence, the decrease in consumption.

Fuel Budget VS Actual 3 Years

Fin. Year	Budget	Actual	Diff In %	Comments	Liters Issued
2021-22	30 931 000,00	**40 983 842,25**	**132,59%**	Negative outcome	2 065 107, 56
2022-23	32 800 000,00	**58 373 841,33**	**177,97%**	Negative Outcome	2 285 321, 07
2023-24	64 000 000,00	**63 994 628,47**	**99,99%**	Positive Outcome	1 625 689,00
2024-25	56 970 000,00	**56 545 110,52**	**99,25%**	Positive Outcome	1 285 114,11

INTRODUCTION TO BY-LAWS

BY-LAWS INTRODUCED DURING 2024/25					
Newly Developed	Revised	Public Participation adopted prior to adoption of By-laws (Yes/No)	Dates of Public Participation	By-laws gazette (Yes/No)	Date of Publication
Township Economies Bylaws	N/A	Yes	Not yet advertised, awaiting BU to pay on quote	No	N/A
N/A	Spatial Planning and Land Use Management Bylaws	Yes	19 March 2025-4 April 2025	No	N/A

COMMENT ON BY-LAWS

Annually, a call for submissions on bylaws to be reviewed or drafted is made to business units. The determination is made pursuant to submissions received, as well as based on the consideration of other relevant factors, such as legislative changes and compliance requirements.

The Bylaws received for review during FY 24/25 were the Spatial Planning and Land Use Management Bylaws as well as the Township Economies Bylaws. Alongside the review, Legal Services is completing the review processes for the Bylaws identified for review during the FY 22/23 and FY 23/24 which were the following Bylaws: Municipal Health Services Bylaws, Public Open Spaces Bylaws, Market Bylaws, Street Trading Bylaws, Public Libraries Bylaws, Rules of Order and Ethics Bylaws, Impoundment of Animals Bylaws, Advertising Signs Bylaws, Waste Management Bylaws and Stormwater and Drainage Management Bylaws. The unit also assists business Units with crafting or review of the admission of guilt fines that are attached to the Bylaws.

INTRODUCTION TO MUNICIPAL WEBSITE CONTENT AND ACCESS:

Website Overview
The Msunduzi Municipality website serves as a central platform for disseminating information to the public. It encompasses a wide range of content, including news updates, municipal documents, announcements, and departmental reports, designed to keep the community well-informed about our services and activities.

Information Supply
Information for the website is primarily supplied by the various user departments within the municipality. Each department is responsible for generating content relevant to its area of expertise. This content may include reports, news releases, policy updates, and community notices.

Upload Process
The process of uploading content to the website is currently managed by the ICT department, under the guidance of designated personnel within each department. These individuals ensure that all submitted content is accurate, relevant, and aligns with the municipality's communication standards and compliance guidelines.

Responsibility for Upload
While departmental personnel are responsible for preparing and submitting most website content, the final verification, approval, and publishing authority rests with the Communications and IT Departments. This oversight ensures consistency, accuracy, and quality control across all published material.

Turnaround Time
Our standard operating practice is to upload routine content within three business days from the time it is received from user departments. Urgent content, such as service interruptions or public safety announcements, is prioritized and typically uploaded within the same business day.

Challenges and Enhancement Strategy
We acknowledge that the current website infrastructure and workflow have presented challenges in maintaining consistent accuracy and timeliness. These include limitations of the existing content management system and inconsistencies in departmental coordination.

To address these concerns, a detailed enhancement strategy was developed and presented during the ICT Steering Committee. Although funding was approved, the initial tender process was cancelled at the Bid Evaluation Committee (BEC) level to allow for a revision of the evaluation criteria. A revised submission has since been made and is currently under consideration.

Enhancement Strategy Highlights:

- Ongoing Audits: Regular content audits will be instituted to identify and remove outdated or incorrect information, thereby improving the reliability and credibility of the website.
- Capacity Building: Departmental content contributors will receive continuous training and support to improve their competency in using the content management system, resulting in more consistent and high-quality updates.
- Structured Content Calendar: A centralized content calendar will be implemented to help departments plan and prioritize submissions, ensuring timely and organized updates.
- User Engagement: A feedback mechanism will be enhanced to encourage public interaction, allowing users to report issues and suggest improvements, which will directly inform future updates.

The successful implementation of these improvements is expected to significantly elevate the website's functionality, usability, and value to the public. We look forward to the progression of the revised tender and the rollout of the upgraded digital infrastructure.

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL FOR THE 2024/25 FY

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL FOR THE 2024/25 FY			
DOCUMENTS PUBLISHED ON THE MUNICIPALITY'S / ENTITY'S WEBSITE	YES/NO	PUBLISHING DATE	DESCRIPTION
Annual Budget (2024/25)	YES	2024/06/04	http://www.msunduzi.gov.za/site/2024-2025/index.html
Adjustments Budget	YES	2025/02/04	www.msunduzi.gov.za/site/2024-2025/index.html
Budget-related Policies	YES	2024/05/14	www.msunduzi.gov.za/site/2024-2025/index.html
Integrated Development Plan (IDP)	YES	2025/06/11	http://www.msunduzi.gov.za/site/idp-2022-2027/index.html
Service Delivery and Budget Implementation Plan (SDBIP)	YES	2025/05/14	http://www.msunduzi.gov.za/site/service-delivery-and-budget-implementation-plan/index.html
Annual Report (2023/24)	YES	2025/06/30	http://www.msunduzi.gov.za/site/annual-report/index.html
Oversight Report on Annual Report	YES	2021/07/07	http://www.msunduzi.gov.za/site/oversight-report/index.html
Performance Agreements of Section 56 Managers	YES	2025/07/07	http://www.msunduzi.gov.za/site/performance-agreements/index.html
Quarterly Reports	YES	2025/02/04	http://www.msunduzi.gov.za/site/2024-2025/index.html
Mid-year Budget and Performance Assessment	YES	2025/02/04	http://www.msunduzi.gov.za/site/mid-year-budget-and-performance-reviews/index.html
Supply Chain Management Policy	YES	2024/06/13	http://www.msunduzi.gov.za/site/procurement/index.html
Awards above R100,000	Not Published	Not Applicable	http://www.msunduzi.gov.za/site/awardedcontracts/

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL FOR THE 2024/25 FY			
DOCUMENTS PUBLISHED ON THE MUNICIPALITY'S / ENTITY'S WEBSITE	YES/NO	PUBLISHING DATE	DESCRIPTION
Contracts and Tenders Awarded	YES	2025/07/09	http://www.msunduzi.gov.za/site/awardedcontracts/
Municipal Contact Details	YES	2025/07/09	http://www.msunduzi.gov.za/site/contactus/index.html
Public Participation Notices	YES	2025/07/02	http://www.msunduzi.gov.za/site/publications/index.html
Municipal Tariffs (2024/25)	YES	2025/07/29	http://www.msunduzi.gov.za/site/tarriffs/index.html
By-laws	YES	2024/05/08	http://www.msunduzi.gov.za/site/bylaws/index.html
Climate Resilience & Urban Planning Reports	YES	2022/04/05	http://www.msunduzi.gov.za/site/environmental-management/index.html
Vacancies and Recruitment Notices	YES	2025/07/30	http://www.msunduzi.gov.za/site/employment-opportunities/index.html
Municipal Calendar of Events	YES	2025/07/02	http://www.msunduzi.gov.za/site/publicnotices/index.html

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS OVERALL:
The Msunduzi Municipality website provides essential public information, including IDPs, budgets, tenders, and notices. While the content is generally relevant and accessible, updates are not always consistent across all sections. Navigation is user-friendly, though improvements are needed in search functionality and mobile responsiveness. Funding has been secured to upgrade the site; however, the initial tender was cancelled at BEC for evaluation criteria revision, and a new submission has been made.

ALL MUNICIPAL OVERSIGHT COMMITTEES

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)
The Municipal Public Accounts Committee (MPAC) is established in terms of Section 79 of the Structures Act, 1998 and is made up of ordinary Councillors to oversee the expenditure of public funds in order to ensure the efficient and effective utilization of council resources and to enhance the political accountability of Council.

APPEALS COMMITTEE
The Appeals Committee is constituted in terms of Section 62 (4) (c) (ii) of the Local Government: Municipal Systems Act, 2000 to hear appeals against decisions taken by a political structure, political office bearer or a Councillor of the Municipality in terms of a power or duty delegated or sub-delegated to it by a delegating authority.

SECURITY COMMITTEE
The Security Committee is constituted in terms of Section 79 of the Structures Act to consider and deal with cases of threats directed to Councillors and senior officials and are associated with or linked to the performance of their duties as municipal Councillors and senior officials.

RECESS COMMITTEE
The Recess Committee is established in terms of Section 79 of the Structures Act to deal with any emergency or urgent matters which may emerge and require urgent attention when the Council is in Recess. [Note: - The Recess Committee is currently dormant as Special EXCO/Council meetings are convened to deal with urgent matters during the Recess period]

EXECUTIVE COMMITTEE
The Executive Committee established in terms of Section 42 of the Local Government: Municipal Structures Act No. 117 of 1998 (the Structures Act.

POLITICAL DECISION-MAKING
The Rules and Procedures of Council and its Committees provide inter alia for the powers and functions that the Council may delegate; however, there are those it may not delegate, as well as the votes that are required when certain matters are decided. In making decisions on the following matters, a supporting vote of most of the number of Councillors is required: -
(a) The passing of by-laws.
(b) The approval of budgets.
(c) The imposition of rates and taxes, levies and duties.
(d) The raising of loans.
(e) The rescission of a council resolution; and any other matter prescribed by legislation.

All other questions before the Council are decided by a majority of the votes cast and in the case of an equality of votes, the Councillor presiding (the Speaker) exercises a casting vote in addition to a vote he or she has as a Councillor.

Before the Council takes a decision on any of the following matters it first has to obtain the recommendations of the Executive Committee: -
(a) The passing of by-laws.
(b) The approval of budgets.
(c) The imposition of rates.
(d) The raising of loans.
(e) The approval of an integrated development plan for the Municipality and any amendment to that plan.
(f) The approval of a performance management system
(g) The appointment and conditions of service of the Municipal Manager and a head of department of the Council."

AUDIT COMMITTEE
In terms of Section 166 of the Municipal Finance Management Act (MFMA), 2003, each municipality must have an Audit Committee which is an independent advisory body. The Audit Committee advises the Municipal Council, political office bearers, Accounting Officer and the management staff of the Municipality on matters relating to:
- Internal financial control and internal audits.
- Risk Management.
- Accounting policies.
- The adequacy, reliability and accuracy of financial reporting and information.
- Performance Management.
- Effective Governance.

- Compliance with the MFMA, the Annual Division of Revenue Act and any other applicable legislation; 8. Performance evaluation; and
- Any other issues referred to it by the municipality.

The Audit Committee further reviews the Municipal Council's Annual Financial Statements; responds to issues raised in the Auditor General's annual audit report; carries out certain investigations; and performs other functions as commissioned by the Municipal Council. The Audit Committee also carries out the functions of a Performance Audit Committee.

PORTFOLIO COMMITTEES

The Portfolio Committees are established in terms of Section 80 of the Local Government: Municipal Structures Act, 1998 to assist the Executive Committee.

The Committees, by resolution taken with a supporting vote of a majority of their members, may determine their own procedures, subject to any directions and the Rules of the Council and any dispute arising from an interpretation of such Rules must be referred to the Speaker of the Council whose decision in the matter shall be final.

Each Committee must meet at least once a month, subject to the condition that the Chairperson may determine the date, time and venue of the postponed or cancelled meeting if he or she deems it necessary to have it taking place before the date set for the ensuing meeting.

The Chairpersons shall decide when and where the Committee shall meet, but if a majority of the members of the Committee requests the Chairperson, in writing, to convene a meeting, the Chairperson shall convene such a meeting at the time set out in the request.

The recommendations of the Portfolio Committees shall be presented to the Executive Committee for discussion by the Chairperson of the Committee.

The following are existing Portfolio Committees and their purposes: -

CORPORATE SERVICES PORTFOLIO COMMITTEE

The Corporate Services Portfolio Committee must:

- Initiate, monitor and facilitate the formulation and review of policies and by – laws within its functional area, monitor their implementation, together with that of relevant national and provincial legislation and make recommendations to the EXCO.
- Monitor the provision of technical and administrative support services to Council, Council structures and political office bearers.
- Monitor development and review of the Council's Rules of Order and Terms of Reference of Council Committees.

COMMUNITY SERVICE PORTFOLIO COMMITTEE

The Community Services Portfolio Committee must:

- Initiate, monitor and facilitate the formulation and review of processes, procedures, policies and by – laws within its functional area, monitor their implementation, together with that of relevant national and provincial legislation and make reports and recommendations to EXCO.
- Consider IDP and budget planning and compilation, monitor and assess project implementation and expenditure control
- Identify, review and evaluate the needs of the community, identify programmes and projects to address them and prioritize them.
- Monitor and ensure proper planning, budgeting, management and provision of library services to ensure that they effectively address the needs of the communities.
- Monitor planning, budgeting, management and provision of disaster management, fire and rescue services to the communities.
- Monitor and ensure proper, efficient and effective management and maintenance of parks, community, sporting and recreation facilities of Council.
- Monitor planning, budgeting, management and provision of domestic, commercial and industrial waste collection and disposal services and cleaning of public ablution facilities.
- Monitor and ensure proper planning, budgeting, management and provision of public safety and security services to ensure safety and security of Council property and resources.
- Monitor and ensure proper planning, budgeting, management and maintenance of cemeteries and crematoria, including an efficient and effective undertaking of burials, cremations and exhumations
- Monitor and make input in the development and budgeting for short-, medium- and long-term plans and programmes for the effective and sustainable provision of traffic, motor licensing and law enforcement services and assess their implementation
- Facilitate and monitor the development and implementation of mechanisms, processes and procedures to prevent abuse, misuse and wastage of municipal property and services
- Consider the reports from administration and its sub – committees

INFRASTRUCTURE SERVICE PORTFOLIO COMMITTEE

The Infrastructure Services Portfolio Committee must:

- Initiate, monitor and facilitate the formulation and review of processes, procedures, policies and by – laws within its functional area and monitor their implementation, together with that of relevant national and provincial legislation
- Consider IDP and budget planning and compilation, monitor and assess project implementation and expenditure
- Identify, review, evaluate and prioritize the needs of the community and identify programmes and projects to address them
- Monitor the planning, budgeting, acquisition, maintenance and management of Council fleet, machinery and equipment to ensure that it effectively addresses the needs of the communities
- Ensure proper, efficient and effective functioning, capacitation and management of the Council workshops
- Monitor and make input in the development and budgeting for short-, medium- and long-term plans and programmes for the construction, upgrading and maintenance of Council water and sanitation infrastructure, storm water management, transportation, gas and energy as well as roads infrastructure and assess their implementation.
- Monitor the provision of water, sanitation, roads and transportation to ensure that they are accessible to the communities economically, efficiently, effectively and in a sustainable manner.

SUSTAINABLE DEVELOPMENT AND CITY ENTERPRISES PORTFOLIO COMMITTEE

The Sustainable Development and City Enterprises Portfolio Committee must:

- Initiate, monitor and facilitate the formulation and review of processes, procedures, policies and by – laws within its functional area, monitor their implementation, together with that of relevant national and provincial legislation and make reports and recommendations to EXCO.
- Consider IDP and budget planning and compilation, monitor and assess project implementation and expenditure control.
- Identify, review and evaluate the needs of the community, identify programmes and projects to address them and prioritize them.
- Monitor and ensure proper planning and management of municipal markets, undertakings that sell food and liquor to the public and any other

trading to ensure that relevant legislation and policies are complied with and that such trading and undertakings do not pose threat to the lives and health of the residents.
- Monitor and make input in the development, review, amendment and implementation of the Town Planning and Land Use Management Schemes to ensure that they enhance well-planned, coordinated and effective spatial arrangement, land usage, development and investment.
- Monitor the development, review and implementation of Local Economic Development Plan and Strategy and ensure that such plan and strategy are inclusive of all relevant sectors of the economy and enhance investment and empowerment of the historically disadvantaged sectors and communities.
- Monitor the development, review and implementation of Tourism Plan and Strategy and ensure that such plans and strategy are inclusive of all relevant role players and enhance tourism investment, growth and empowerment of the historically disadvantaged sectors and communities.

FINANCIAL SERVICES PORTFOLIO COMMITTEE

The Financial Services Portfolio Committee must:
- Initiate, monitor and facilitate the formulation and review of policies and by – laws within its functional area, monitor their implementation, together with that of relevant national and provincial legislation, and make reports and recommendations to EXCO.
- Oversee IDP and Budget preparation, adoption, implementation and reporting processes to ensure that they comply with MFMA and other relevant legislation and policies
- Ensure proper, efficient, effective, economical and transparent management of the municipality's assets and liabilities, revenue and expenditure.
- Evaluate the competency of financial services officials and take necessary steps to ensure compliance with necessary competency levels
- Monitor and ensure that the required financial reporting is done properly and on time and that the reports are submitted to relevant structures and institutions as per relevant legislation 38
- Monitor proper compilation and submission of financial statements of Council and its entities for internal and external auditing purposes
- Take whatever steps and devises whatever measures as may be deemed necessary to ensure that the municipality obtains clean audit opinion in all Auditor – General's audits.

RISK MANAGEMENT

Legal and Strategic Mandate

In accordance with Section 62(1)(i) of the Municipal Finance Management Act (MFMA), the accounting officer must ensure the municipality maintains effective financial and risk management and internal control systems. Risk management is a core management responsibility and must be embedded across all levels of management.

Msunduzi Municipality has adopted an Enterprise Risk Management (ERM) Policy and Strategy, reviewed regularly and aligned to Council governance structures. These guide the proactive identification and mitigation of strategic, operational, information communication and technology, fraud, business continuity, and compliance risks.

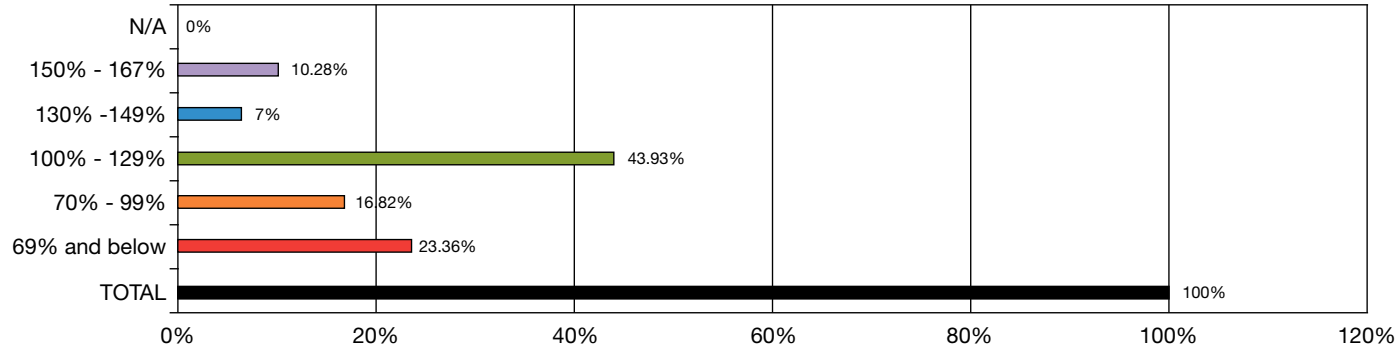
Governance Structure
- Oversight is provided by Risk Management Committee, which reports to the Audit Committee, and Council.
- The Risk Management Committee comprises of independent external chairperson and member of the executive management.
- Risk Champions have been assigned in each department to coordinate and monitor risk-related activities and to escalate key risks for consideration.

In the past year, the Risk Management Committee held four meetings as per approved Terms of Reference. The Chairperson of Risk Management Committee shared his reports with the Audit Committee, wherein the latter is comprised of independent external members. Ultimately, the risk management reports are discussed and approved by Council.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

HIGH LEVEL SUMMARY OF PERFORMANCE COMPARISON FOR THE 2024/2025 & 2023/2024 FINANCIAL YEARS (SDBIP)

SDBIP ORGANISATIONAL OVERVIEW
TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2024/2025 -
ANNUAL REPORT 2024/2025 PROGRESS REPORT

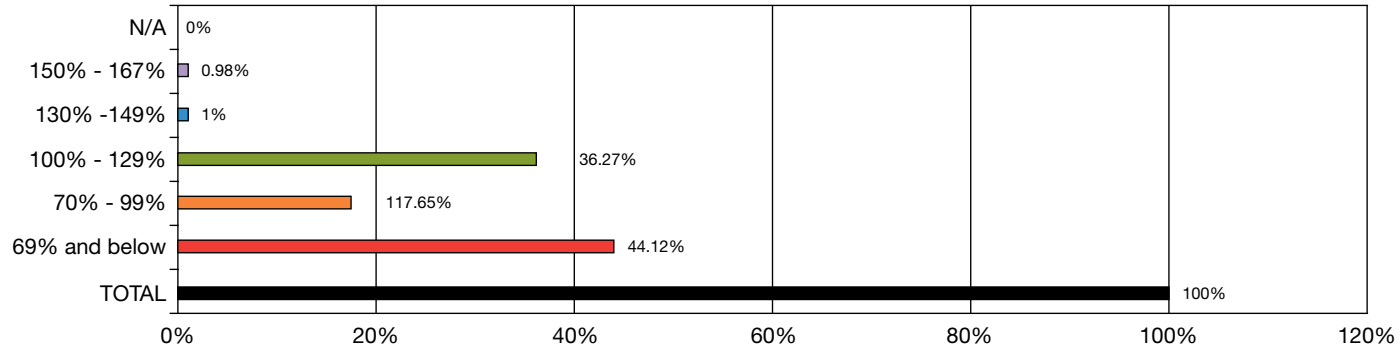


	Total Projects	69% and below	70% - 99%	100% - 129%	130% - 129%	150% - 167%	N/A
ANNUAL 24/25FY	100%	23.36%	16.82%	43.93%	7%	10.28%	0%

A total of 107 Capital Projects were reported on the SDBIP for the ANNUAL 2024/2025 PROGRESS REPORT

- 23.36% of the projects were reported as having achieved a 1 on the SDBIP for the ANNUAL 2024/2025 PROGRESS REPORT
- 16.82% of the projects were reported as having achieved a 2 on the SDBIP for the ANNUAL 2024/2025 PROGRESS REPORT
- 43,93% of the projects were reported as having achieved a 3 on the SDBIP for the ANNUAL 2024/2025 PROGRESS REPORT
- 7% of the projects were reported as having achieved a 4 on the SDBIP for the ANNUAL 2024/2025 PROGRESS REPORT
- 10.28% of the projects were reported as having achieved a 5 on the SDBIP for the ANNUAL 2024/2025 PROGRESS REPORT
- 0% of the projects were reported as not applicable due to not having any targets on the SDBIP for the ANNUAL 2024/ 2025 PROGRESS REPORT

ORGANISATIONAL OVERVIEW
TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2023/2024 -
ANNUAL 2023/2024 FY PROGRESS REPORT



	Total Projects	69% and below	70% - 99%	100% - 129%	130% - 129%	150% - 167%	N/A
Series 1	100%	44.12%	17.65%	36.27%	1%	0.98%	0%

A total of 102 Capital Projects were reported on the SDBIP for the ANNUAL 23/24 FY PROGRESS REPORT

- 44,12% of the projects were reported as having achieved a 1 on the SDBIP for the ANNUAL 23/24 FY PROGRESS REPORT
- 17,65% of the projects were reported as having achieved a 2 on the SDBIP for the ANNUAL 23/24 FY PROGRESS REPORT
- 36,27% of the projects were reported as having achieved a 3 on the SDBIP for the ANNUAL 23/24 FY PROGRESS REPORT
- 1% of the projects were reported as having achieved a 4 on the SDBIP for the ANNUAL 23/24 FY PROGRESS REPORT
- 0,98% of the projects were reported as having achieved a 5 on the SDBIP for the ANNUAL 23/24 FY PROGRESS REPORT
- 0% of the projects were reported as not applicable due to not having any targets on the SDBIP for the ANNUAL 23/24 FY PROGRESS REPORT

ACHIEVEMENT AS PER KEY PERFORMANCE AREA 2024/2025						
ACHIEVEMENT AS PER NKPA 2024/2025						
INDICATOR ACHIEVEMENT	**MUNICIPAL TRANSFORMATION**	**BASIC SERVICE DELIVERY**	**LOCAL ECONOMIC DEVELOPMENT**	**FINANCIAL VIABILITY**	**GOOD GOVERNANCE AND PUBLIC PARTICIPATION**	**CROSS CUTTING**
TOTAL NUMBER OF INDICATORS	22	30	8	27	4	6
ACHIEVED	6	22	8	14	2	6
NOT ACHIEVED	16	8	0	13	2	0
PERCENTAGE ACHIEVED	**27.27%**	**73.33%**	**100%**	**51.85%**	**50%**	**100%**

ACHIEVEMENT AS PER KEY PERFORMANCE AREA 2023/2024						
INDICATOR ACHIEVEMENT	**MUNICIPAL TRANSFORMATION**	**BASIC SERVICE DELIVERY**	**LOCAL ECONOMIC DEVELOPMENT**	**FINANCIAL VIABILITY**	**GOOD GOVERNANCE AND PUBLIC PARTICIPATION**	**CROSS CUTTING**
NUMBER OF INDICATORS	20	36	8	20	10	10
ACHIEVED	5	17	6	10	6	7
NOT ACHIEVED	15	19	2	10	4	3
PERCENTAGE ACHIEVED	**25%**	**47.22%**	**75%**	**50%**	**60%**	**70%**

COMMUNITY SERVICES 2024/2025																					
ANNUAL 23/24FY PROGRESS REPORT															ANNUAL 24/25 FY PROGRESS REPORT								
SDBIP REFERENCE	**NATIONAL KEY PERFORMANCE AREA**	**INDICATOR**	**UNIT OF MEASURE**	**ORIGINAL ANNUAL TARGET**	**ADJUSTED ANNUAL TARGET**	**ACTUAL**	**ACTUAL (1,2,3,4,5, Not Applicable)**	**REASON FOR DEVIATION**	**CORRECTIVE MEASURE**	**TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES**	**SOURCE DOCUMENT**	**SDBIP REFERENCE**	**NATIONAL KEY PERFORMANCE AREA**	**INDICATOR**	**UNIT OF MEASURE**	**ORIGINAL SDBIP ANNUAL TARGET**	**ADJUSTED SDBIP TARGET**	**ACTUAL**	**ACTUAL (1,2,3,4,5, Not Applicable)**	**REASON FOR DEVIATION**	**CORRECTIVE MEASURE**	**TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES**	**SOURCE DOCUMENT**
CS14	NKPA 2-BASIC SERVICE DELIVERY	Integrated Waste Management Plan prepared for adoption t	Number	1 x Integrated Waste Management Plan prepared & submitted to TMC for onwards transmission to Council for approval by the 30th of June 2024	N/A	1 x Integrated Waste Management Plan prepared & submitted to TMC for onwards transmission to Council for approval by the 30th of June 2024	3 (100% - 129%)	N/A	N/A	N/A	TMC Resolution	CSE 14	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Number of Integrated Waste Management Plan approved	Number	1 x Integrated Waste Management Plan adopted by Council by 30th June 2025	1 x Integrated Waste Management Plan approved by Council by 30th June 2025	1	3 (100% - 129%)	N/A	N/A	N/A	Council Resolution & Integrated Waste Management Plan
CS01	NKPA 2-BASIC SERVICE DELIVERY	116 000 households with access to weekly Refuse Removal	Number	137 000	116 000	59 183	1 (69% & below)	Weekly waste collection was not achieved as per schedule, number of households targeted was based on previous Stats SA information	The municipality is undertaking a process of auditing all municipal households that are receiving the service to ensure that correctness and improve on the number reported on for HH receiving Waste Collection. The indicator will be measured on the formal areas receiving waste collection services while the audit is in progress	30-Jun-25	Pictures and co-ordinates of the skip sites within these wards. Vehicle Ewcop movement report, indigent registers, customer statements, waste collection schedules, waste collection checklists signed by Manager and foreman Domestic waste.	CSE 01	NKPA 2-BASIC SERVICE DELIVERY	Number of households receiving refuse removal service	Number	116 000 x households provided with access to weekly Refuse Removal by 30th June 2025	59182 x households receiving refuse removal service by the 30th of June 2025	59918	3 (100% - 129%)	N/A	N/A	N/A	Customer Statements, Waste Management schedule & Household register.
CS02	NKPA 2-BASIC SERVICE DELIVERY	Number of clean up campaigns conducted	Number	12 x CBD clean-up campaign conducted by the 30th of June 2024	N/A	10	2 (70% - 99%)	2 Clean up campaigns were not conducted within the CBD	The department will improve on the number of campaigns it undertakes in the CBD area, through appropriately planning for such. A plan or schedule will have to be developed to assist with this indicator	30-Jun-25	Clean-up campaigns before & after pictures & Poster	CSE 02	NKPA 2-BASIC SERVICE DELIVERY	Number of CBD Clean up Campaigns conducted	Number	12 x CBD Clean up Campaigns conducted by the 30th of June 2025	N/A	12	3 (100% - 129%)	N/A	N/A	N/A	Pictures of before after, registers and posters.
CS04	NKPA 2-BASIC SERVICE DELIVERY	100% compliance notices issued for contravention of Waste Management bylaw contraventions	Percentage	100%	N/A	50%	1 (69% & below)	Only Compliance notices were issued & there were no summoned issued against the offenders	To separate the items for Compliance notice and summons	30-Jun-25	Copies of compliance notices and fine	CSE 03	NKPA 2-BASIC SERVICE DELIVERY	Number of compliance notices issued	Number	100% compliance notices of Waste Management bylaw contraventions by the 30th of June 2025	98 x compliance notices issued by the 30th of June 2025	161	3 (100% - 129%)	N/A	N/A	N/A	Copies of compliance notices.

COMMUNITY SERVICES 2024/2025																					
ANNUAL 23/24FY PROGRESS REPORT															ANNUAL 24/25 FY PROGRESS REPORT							
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL SDBIP ANNUAL TARGET	ADJUSTED SDBIP TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
CS08	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Number of Disaster Management Plan Reviewed	Number	Disaster Management Plan Reviewed by the 330th of June 2024	1	N/A	1 (69% & below)	Received new guidelines from PDMC for a Disaster Plan draft which then means it must be revised to align with the new guidelines.	The draft will be revised to align with the new guidelines.	The draft will be provided by 30th June 2025	TMC Report & Draft Disaster Management Plan	CSE 07	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Number of Disaster Management Plan Reviewed	Number	1 x Disaster Management Plan Reviewed by the 30th of June 2025	N/A	0	1 (69% & below)	The reviewal process must be preceded by a comprehensive scientific risk assessment process which requires the approval for funding,	Council must approve budget provision for Disaster Management to conduct risk assessment	30-Jun-26	Email correspondence
CS05	NKPA 2-BASIC SERVICE DELIVERY	Number of Public Spaces upgraded	Number	2 x swimming pool pumps in (Alex & Olympic) pumps upgraded by the of 30th of June 2024	N/A		3 (100% - 129%)	N/A	N/A	N/A	Completion certificates	CSE 04	NKPA 2-BASIC SERVICE DELIVERY	Number of swimming pools maintained	Number	2 x swimming pools upgraded by 30th June 2025	1x swimming pools maintained by the 30th of June 2025	0	1 (69% & below)	a service provider was not appointed as planned for. A Quotation was received from the service provider to the value of 6 354 000 which was deemed too high.	As an alternative another service provider was communicated with to assist with the fabrication of the tanks, however they had a backlog hence they could not commence with the fabrication	30-Jun-26	Atlas Report
CS12	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	100% of Operational Budget spent for the Community Services Business Unit by the 30th of June 2023	Percentage	100%	N/A		1 (69% & below)	Numerous facilities still need to be maintained, Budget allowed for completion of 16 against the facilities we have in the Municipalities	In the new financial year, we will measure ourselves against the planned activities that are budgeted for in the Financial Year.	30-Jun-25	Budget 23/24 FY & Capex Excel Documents	CSE 12	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Operational Expenditure spent for the Community Services BU	Percentage	100% of Operational Expenditure spent by the 30th June 2025	N/A	42%	3 (100% - 129%)	N/A	N/A	N/A	C- Schedule Report
CS13	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of Critical Posts Filled Budget & Treasury BU	Percentage	75%	N/A		1 (69% & below)	N/A	N/A	N/A	Recruitment Process Plan for the critical posts excel document,	CSE 13	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of posts filled in the Community services unit	Percentage	70% of posts filled by 30th June 2025	N/A	0%	1 (69% & below)	Matrix was not completed, due to backlog from previous financial year 22/23	Report to TMC requesting deviation from Recruitment Plan target of 70% on 30 June 2025	30-Jun-26	Report on Request for deviation Municipal Business Unit Recruitment Plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	CSE 11	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Capital Expenditure spent for the Community Services BU	Percentage	100% of Capital Expenditure spent by 30th June 2025	N/A	100%	3 (100% - 129%)	N/A	N/A	N/A	C- Schedule Report
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	CSE 05	NKPA 2-BASIC SERVICE DELIVERY	Number of sports grounds maintained	Number	6 x community facilities maintained by 30th June 2025	6 x community sports grounds maintained by 30th June 2025	2	1 (69% & below)	The service provider on SS72 maintenance contract. was not appointed, therefore the service was done internally by the Msunduzi Building maintenance team.	Appointment of a service Provider to assist with maintenance of Sports field	30-Jun-26	Before & after pictures Purchase order, Invoices & Hand-over Certificate for Harry Gwala Grounds
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	CSE 09	NKPA 5 GOOD GOVERNANCE & PUBLIC PARTICIAPATION	Number of fire & rescue public awareness presentations conducted	Number	120 x awareness presentations conducted by 30th June 2025	75 x fire & rescue public awareness presentations conducted by the 30th of June 2025	110	4 (130% -149%)	Due to a greater demand in the last quarter, we were able to increase awareness programs	N/A	N/A	Attendance registers
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	CSE 16	NKPA 2-BASIC SERVICE DELIVERY	Number of non-households receiving refuse removal services	Number	27 900 non-households receiving refuse removal service by 30th of June 2025	5100 non-households receiving refuse removal services by the 30th of June 2025	4765	3 (100% - 129%)	N/A	N/A	N/A	Customer Statements, Waste Management schedule & non-household register.
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	CSE 15	NKPA 2-BASIC SERVICE DELIVERY	Percentage of construction of New England Road Landfill Site achieved	Percentage	100% (practical) completion by 30th June 2025	100% of New England Road Landfill Site Construction completed as per Approved Action Plan by the 30th of June 2025	99,94%	2 (70% - 99%)	Contractor has experienced delays with completion due to Challenges experienced with sourcing certain materials	Contractual items not completed will be form part of the snag list and will be attended to within the corrective measure timeframe	30-Jun-26	Project progress report
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	CSE 17	NKPA 2-BASIC SERVICE DELIVERY	No. of wards receiving grass cutting services	Number	30 wards receiving grass cutting services by the 30th of June 2025	N/A	17	1 (69% & below)	1. Staff Compliment 2. Broken vehicles and machinery. 3. Manager Recreation vacancy.	Advertise manager post, introduce records management for grass cutting	30-Jun-26	Grass cutting schedule
CS07	NKP 6 -CROSS CUTTING INTERVENTIONS	Number of quarterly Disaster Management Advisory Forums meetings facilitated Annually	Number	3	N/A	3	3 (100% - 129%)	N/A	N/A	N/A	Agenda, minutes and register	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

COMMUNITY SERVICES 2024/2025

ANNUAL 23/24FY PROGRESS REPORT												ANNUAL 24/25 FY PROGRESS REPORT									
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL SDBIP ANNUAL TARGET	ADJUSTED SDBIP TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
CS09	NKP 6 -CROSS CUTTING INTERVENTIONS	Number of Major Hazard Visitations Conducted	Number	48 x Major Hazard Visitations Conducted by the 30th of June 2024	N/A	51	3 (100% - 129%)	N/A	N/A	N/A	Checklist and attendance register	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CS10	NKP 6 -CROSS CUTTING INTERVENTIONS	Number of Fire & Rescue public awareness presentations conducted Annually	Number	120 Fire & Rescue public awareness presentations conducted by the 30th of June 2024	120	151	4 (130% -149%)	Work is done on demand, some months can be low or high. School holidays usually affect these programs	N/A	N/A	Checklist and attendance register	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CS11	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Number of ward audit reports on Service Delivery Challenges conducted in all 41 wards	12 x ward audits reports on Service Delivery Challenges conducted in all 41 wards by the 30th of June 2023	Number	12	12	3 (100% - 129%)	N/A	N/A	N/A	Ward audit file	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CS0\ c as6	NKPA 2-BASIC SERVICE DELIVERY	% of Community Facilities (Parks & Sports & recreation Facilities) maintained	90% of Community Facilities (Parks & Sports & recreation Facilities) maintained by the 30th of June 2024	Percentage	New	8,08%	1 (69% & below)	Numerous facilities still need to be maintained; Budget allowed for completion of 8 against the facilities we have in the Municipalities	In the new financial year, we will measure ourselves against the number of Facilities to be maintained that are budgeted for	30-Jun-25	Completion certificates	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

INFRASTRUCTURE SERVICES

ANNUAL 23/24FY PROGRESS REPORT												ANNUAL 24/25 FY PROGRESS REPORT									
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
IFS 01	NKPA 2 - BASIC SERVICE DELIVERY	% of all new water meter applications installed (application based)	Percentage	100% of all water meter applications installed by the 30th of June 2024	100% of all water meter applications installed by the 30th of June 2024	100%	3 (100% - 129%)	Applications from previous financial years were also considered during connections	N/A	N/A	Application forms and list of connections	IFS 01	NKPA 2 - BASIC SERVICE DELIVERY	Percentage of water meters installed	Percentage	90% of all water meter applications installed by the 30th of June 2025	90% of water meters installed by the 30th of June 2025	100%	3 (100% - 129%)	N/A	N/A	N/A	Water Connection Spreadsheet and Memos
IFS 03	NKPA 2 - BASIC SERVICE DELIVERY	% of all new sewer connections completed in various wards as per applications based	Percentage	100% of all new sewer connections completed in various wards as per (application received vs applications installed) by the 30th of June 2024.	100% of all new sewer connections completed in various wards as per (application received vs applications installed) by the 30th of June 2024.	100%	3 (100% - 129%)	N/A	N/A	N/A	Application forms and connections memo	IFS 02	NKPA 2 - BASIC SERVICE DELIVERY	Percentage of new sewer connections completed	Percentage	100% of all new sewer connections completed by the 30th of June 2025	100% of new sewer connections completed by the 30th of June 2025	100%	3 (100% - 129%)	N/A	N/A	N/A	Sewer Connection Spreadsheet and application forms
IFS 06	NKPA 2 - BASIC SERVICE DELIVERY	km of water pipeline installed	Number	12.047 Km of Water pipes replaced by the 30th of June 2024	8.447 Km of Water pipes installed by the 30th of June 2024	26,416km	5 (150% - 167%)	N/A	N/A	N/A	Completion Certificate	IFS 07	NKPA 2 - BASIC SERVICE DELIVERY	Number of km water pipes installed	Number	16 KM of water pipes installed by the 30th of June 2025	N/A	37,593km	5 (150% - 167%)	N/A	N/A	N/A	Progress reports and completion certificates
IFS 07	NKPA 2 - BASIC SERVICE DELIVERY	Number of Reservoirs Constructed	Number	1 x 12ML Reservoir constructed by the 30th of September 2023	N/A	1 x 12ML Constructed By the 11th of April 2024 - six months after the planned completion date.	1 (69% & below)	The Reservoir was constructed after the planned completion date of 30 September 2023, due to delays from the side of the contractor and payment issues	Ensure that monitoring is taking place in the implementation of the project and contractor	30-Jun-25	Practical completion certificate	IFS 04	NKPA 2 - BASIC SERVICE DELIVERY	Number Reservoirs constructed	Number	1 x 750kl Reservoirs constructed by the 30th of June 2025	N/A	0	1 (69% & below)	Contractor was only handed site in June 2025.	Project implementation is currently ongoing	31-Dec-25	BAC Reports
IFS 08	NKPA 2 - BASIC SERVICE DELIVERY	km of sewer pipelines installed	Number	10.4 km of new sewer pipeline installed by the 30th of June 2024	7.2 km of new sewer pipeline installed by the 30th of June 2024	6.72km	2 (70% - 99%)	Delays due to social issues in installing sewer pipeline	N/A		Practical completion certificate & June project report	IFS 05	NKPA 2 - BASIC SERVICE DELIVERY	Number km of sewer pipelines installed	Number	3.5km of new sewer pipeline installed by the 30th of June 2025	2.33km of new sewer pipeline installed by the 30th of June 2025	2,267km	2 (70% - 99%)	The delay was in the Darvill Project, inclement weather conditions affected fabrication of paddles and couplings, subsequently slowing progress on the targeted activities.	The issues causing delays have since been resolved and work is underway	N/A	Practical completion certificate and progress report

INFRASTRUCTURE SERVICES																						
ANNUAL 23/24FY PROGRESS REPORT															ANNUAL 24/25 FY PROGRESS REPORT							
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
IFS 09	NKPA 2 - BASIC SERVICE DELIVERY	Square meters of Roads Rehabilitated	Number	33 000 x square meters of roads rehabilitated by the 30th of June 2024	44 000 square meters of roads rehabilitated by the 30th of June 2024	73840m²	5 (150% - 167%)	Additional budget was made available	N/A	N/A	Practical completion certificates	IFS 24	NKPA 2 - BASIC SERVICE DELIVERY	Number of square meters of roads rehabilitated	Number	N/A	48970 square meters of roads rehabilitated by the 30th of June 2025	128029m²	5 (150% - 167%)	During the mid- year adjustments of the budget, additional funding was approved, which facilitated the rehabilitation of several roads that had been identified as requiring rehabilitation.	N/A	N/A	Practical completion certificate and register
IFS 10	NKPA 2 - BASIC SERVICE DELIVERY	Number of traffic calming measure installed in various sites as per approved traffic calming implementation schedule	Number	20 traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 30th of June 2024	12 x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of December 2023	12	3 (100% - 129%)	N/A	N/A	N/A	Practical completion certificates	IFS 10	NKPA 2 - BASIC SERVICE DELIVERY	Number of traffic calming measures installed	Number	18 traffic calming measure installed by the 30th of June 2025	16x traffic calming measure installed by the 30th of June 2025	16	3 (100% - 129%)	N/A	N/A	N/A	Practical/ Completion Certificates and register
IFS 11	NKPA 2 - BASIC SERVICE DELIVERY	Kilometres of gravel roads upgraded to all weather surface	Number	5,5Km of gravel roads upgraded to all weather surface by the 30th of June 2024	N/A	4,2Km	2 (70% - 99%)	Poor performance by the contractor for D1138 Ward 4 project	The programme has been revised		Completion/ Practical completion certificates	IFS 11	NKPA 2 - BASIC SERVICE DELIVERY	Number of KM of gravel roads upgraded	Number	3,5km of gravel roads upgraded by 30th June 2025 (practically completed)	N/A	4km	3 (100% - 129%)	Council funded some of the roads in Vulindlela area for upgrade.	N/A	N/A	Job cards and register
IFS 13	NKPA 2 - BASIC SERVICE DELIVERY	Number of storm water catch pits maintained	Number	480 x storm water catch pits maintained by the 30th of June 2024	N/A	440	2 (70% - 99%)	The reporting method was revised from timesheets to job cards in response to AG findings. This change was implemented from January to June 2024.	Going forward the job cards are used as POE	FY 24/25	Job cards and Listing	IFS 13	NKPA 2 - BASIC SERVICE DELIVERY	Number of stormwater catchpits maintained	Number	480 x stormwater catchpits maintained by the 30th of June 2025	1096 stormwater catchpits maintained by the 30th of June 2025	1437	4 (130% -149%)	The availability of external service providers enabled the achievement of results beyond the initial projections, which had been based solely on the capacity of internal teams.	N/A	N/A	Job cards and register
IFS 14	NKPA 2 - BASIC SERVICE DELIVERY	Number of square meters of pedestrian walkways maintained	Number	2000 square meters of Pedestrian walkways Maintained by the 30th of June 2024	N/A	2950,045m²	4 (130% -149%)	Additional work was required due to excavations carried out to address electrical issues.	N/A	N/A	Completion certificates	IFS 14	NKPA 2 - BASIC SERVICE DELIVERY	Number of Square meters of pedestrian walkways maintained	Number	2000 square meters of pedestrian walkways maintained by the 30th of June 2025	N/A	1700m²	2 (70% - 99%)	An 85% achievement was recorded due to delays in the appointment of the service provider, which resulted from the BSC report not being approved by the BAC and being returned for amendments. Additionally, inclement weather caused further damage to roads due to flooding, increasing the budgetary requirements for road repairs and stormwater maintenance.	Increase of the Budget for walkways.	F/Y 25/26	Practical completion certificates
IFS 16	NKPA 2 - BASIC SERVICE DELIVERY	km of Gravel roads maintained	Number	35 km of Gravel roads maintained by the 30th of June 2024	30 km of Gravel roads maintained by the 30th of June 2024	31,477 km	3 (100% - 129%)	Due to storm damages more resources had to be added	N/A	N/A	Job cards and completion certificates	IFS 16	NKPA 2 - BASIC SERVICE DELIVERY	Number of km of gravel roads maintained	Number	N/A	30 km of gravel roads maintained by the 30th of June 2025	33,02km	3 (100% - 129%)	N/A	N/A	N/A	Job cards and register
IFS 19	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	% of Capital Expenditure spent for the Infrastructure Services Business Unit	Percentage	100% of Capital Budget spent for the Infrastructure Services Business Unit by the 30th of June 2024	N/A	119%	3 (100% - 129%)	N/A	N/A	N/A	Annexure B	IFS 19	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Capital Expenditure spent for the Infrastructure Services BU	Percent	100% of Capital Budget spent by the 30th of June 2025	N/A	108,89% (449 227 279,96 ÷ 412 659 809,94 x 100)	3 (100% - 129%)	109%	N/A	N/A	s71 Report
IFS 20	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	% of Operational Budget spent for the Infrastructure Services Business Unit	Percentage	100% of Operational Budget spent for the Infrastructure Services Business Unit by the 30th of June 2024	N/A	0%	1 (69% & below)	N/A	N/A	N/A	N/A	IFS 20	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Operational Budget spent	Percentage	10% of Operational Budget spent by 30th of September 2024	100% of Operational Budget spent by the 30th of June 2025	105,79% (1 929 360 800,50 ÷ 1 791 653 866,18 x 100)	3 (100% - 129%)	N/A	N/A	N/A	s71 Report

INFRASTRUCTURE SERVICES

ANNUAL 23/24FY PROGRESS REPORT												ANNUAL 24/25 FY PROGRESS REPORT									
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
IFS 21	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	% of Posts Filled in Infrastructure Services business unit	Percentage	50 % of Posts Filled in Infrastructure Services business unit by the 30th of June 2024	N/A	0	1 (69% & below)	N/A	N/A	N/A	N/A	IFS 21	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of Posts Filled	Percentage	100% of Posts Filled in Infrastructure Services business unit by the 30th of June 2024		100%	3 (100% - 129%)		N/A	N/A	s71 Report
IFS 17	NKPA 2 - BASIC SERVICE DELIVERY	Number of traffic signals repaired	Number	12 Major traffic signals repaired by the 30th of June 2024	N/A	15	3 (100% - 129%)	There was an increase in vandalism and theft, resulting in the need for additional repairs.	N/A	N/A	List of traffic signals to be repaired and completion certificates	IFS 17	NKPA 2 - BASIC SERVICE DELIVERY	Number of major traffic signals repaired	Number	12 x major traffic signal repaired by 30th June 2025	N/A	13	3 (100% - 129%)	N/A	N/A	N/A	Practical Completion cert
IFS 18	NKPA 2 - BASIC SERVICE DELIVERY	Number of Community Halls Practically Complete	Number	8 x Community Halls Practically Complete by the 31st of March 2024	4 x Community Halls Practically Complete by the 31st of March 2024	4	3 (100% - 129%)	N/A	N/A	N/A	Practical completion certificates	IFS 18	NKPA 2 - BASIC SERVICE DELIVERY	Number of community halls constructed	Number	3 x community halls constructed by 30th June 2025	N/A	0	1 (69% & below)	The appointment of service providers was delayed due to BAC reports being stood down to incorporate additional requirements. Further delays were experienced in obtaining approval of the bid specification reports. Additionally, the confirmation of the tender notice was delayed by the consultant, contributing to the overall postponement.	To resume with construction activities	30-Jun-26	Monthly progress reports
IFS 22	NKPA 2 - BASIC SERVICE DELIVERY	Percentage of water leaks/ bursts repaired	Percentage	85% of mainline water bursts repaired by the 30th of June 2024.	New	100%	3 (100% - 129%)	N/A	N/A	N/A	Report on service delivery failures	IFS 06	NKPA 2 - BASIC SERVICE DELIVERY	Percentage of mainline bursts repaired	Percentage	80% of mainline bursts repaired by the 30th of June 2025.	60% of mainline bursts repaired by the 30th of June 2025.	7%	1 (69% & below)	Duplication of jobs with different reference numbers on the Heat System cannot be closed off unless done manually. However, the main reference number allocated to the actual blockage will be closed off. This skews the numbers of the no. of reported blockages versus the actual work done.	New Ivanti system is going to be implemented to manage these issues. A working session held with ICT on 12 August 2025 to address the current issues found with HEAT. This will be incorporated in new system	30-Jun-26	Heat extract report, job card, register and service delivery report
IFS 23	NKPA 2 - BASIC SERVICE DELIVERY	% of sewer blockages resolved	Percentage	60% of sewer blockages resolved by the 30th of June 2024. (number of sewer blockages resolved vs number of sewer blockages reported)	New	70%	3 (100% - 129%)	N/A	N/A	N/A	Heat Extract Report,	IFS 08	NKPA 2 - BASIC SERVICE DELIVERY	Percentage of sewer blockages resolved	Percentage	60% of sewer blockages resolved by the 30th of June 2025.	N/A	10.91%	1 (69% & below)	Duplication of jobs with different reference numbers on the Heat System cannot be closed off unless done manually. However, the main reference number allocated to the actual blockage will be closed off. This skews the numbers of the no. of reported blockages versus the actual work done.	New Ivanti system is going to be implemented to manage these issues. A working session held with ICT on 12 August 2025 to address the current issues found with HEAT. This will be incorporated in new system	30-Sept-25	Heat extract report, job card, register and service delivery report
IFS 24	NKPA 2 - BASIC SERVICE DELIVERY	Square meters of potholes patched	Number	43 000 x square meters of potholes repaired by the 30th of June 2024	New	62931.62	4 (130% -149%)	Due to storm damages more resources had to be added to address pothole repairs	N/A	N/A	Completion certificates.	IFS 23	NKPA 2 - BASIC SERVICE DELIVERY	Number of square meters of potholes repaired	Number	N/A	35000 square meters of potholes repaired by the 30th of June 2025	55000m²	5 (150% - 167%)	During the mid- year adjustments of the budget, additional funding was approved, which facilitated the rehabilitation of several roads that had been identified as requiring rehabilitation/ pothole repairs	N/A	N/A	Completion Certificates

INFRASTRUCTURE SERVICES

ANNUAL 23/24FY PROGRESS REPORT												ANNUAL 24/25 FY PROGRESS REPORT									
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
IFS 25	NKPA 2 - BASIC SERVICE DELIVERY	No. of road markings completed	Number	150 x road marking (symbols, island, kerbs, keep clear blocks, loading bays, stop and yield lines) completed by the 30th of June 2024.	New	1562	5 (150% - 167%)	2 X Road marking machines were fixed and this assisted in the increased number of meters completed. The projection was based on the work being completed manually.	N/A	N/A	Job cards and summary sheet	IFS 22	NKPA 2 - BASIC SERVICE DELIVERY	Number of road symbol markings completed	Number	N/A	5500 of road symbol markings completed by the 30th of June 2025	8304	5 (150% - 167%)	Additional work was undertaken to accommodate the races and events hosted within the city.	N/A	N/A	Job cards and register
IFS 26	NKPA 2 - BASIC SERVICE DELIVERY	Meters of road marking completed	Number	12000 Meters of road marking lines (edge lines, centre lines, parking bays) completed by the 30th of June 2024.	New	73853.5m	5 (150% - 167%)	Two previously broken machines were repaired, enabling us to exceed the originally planned workload.	N/A	N/A	Job cards and summary sheet	IFS 12	NKPA 2 - BASIC SERVICE DELIVERY	Number of meters of road marking lines completed	Number	4800 Meters of road marking lines completed by the 30th of June 2025.	51000 x Meters of road marking lines completed by the 30th of June 2025.	61244,8	3 (100% - 129%)	N/A	N/A	N/A	Copy of Job cards and register
IFS 27	NKPA 2 - BASIC SERVICE DELIVERY	Total Water Losses reduced to 28.6% based on the International Water Association Balance	Percentage	Total Water Losses reduced to 28.6% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2024	N/A	21.74%	3 (100% - 129%)	MFMA Circular 71 (January 2014) states that the norms for water losses range between 15% and 30%. The Calculated Water loss percentage for the 23/24 FY is 21.74%, which is within the norm.	N/A	N/A	Memo with revenue and expenditure data	IFS 09	NKPA 2 - BASIC SERVICE DELIVERY	Percentage Water Losses reduced to below 30%	Percentage	Water Losses reduced to below 30% within the norms and standards of Circular 72 by the 30th of June 2025.	Water Losses reduced to below 30% by the 30th of June 2025.	20.3%	3 (100% - 129%)	N/A	N/A	N/A	IWA Water Balance & Supporting Documentation
IFS 04	NKPA 2 - BASIC SERVICE DELIVERY	Number of VIP toilets installed	Number	2820 VIP Toilets installed in various wards by 30th June 2024.	N/A	2820	3 (100% - 129%)	N/A	N/A	N/A	Invoices, beneficiary list and happy letters	IFS 03	NKPA 2 - BASIC SERVICE DELIVERY	Number of VIP Toilets installed.	Number	3000 VIP toilets installed by 30th June 2025.	2925 VIP toilets installed by 30th June 2025.	2923	2 (70% - 99%)	Happy letters contained incorrect ID numbers, and others were not signed by relevant parties. These have been excluded from the calculation.	Contractors to implement checklist during the process	Jun-26	Invoices and happy letters, register
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	IFS 18	NKPA 2 - BASIC SERVICE DELIVERY	Number of Sport Complexes constructed	Number	1 x sport complex constructed by the 30th of June 2025	N/A	0	1 (69% & below)	Delays due to inclement weather which affected production on site. The project is at 90% completion.	Request for extension of time was submitted to BAC and approved.	Jun-26	Monthly progress reports

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ESS 01	NKPA 2 - BASIC SERVICE DELIVERY	number of Substations Upgraded or Maintained	20 x Substations Upgraded and Maintained by the 30th of June 2024	30 x Substations Upgraded or Maintained in various wards by the 30th of June 2024	23	2 (70% - 99%)	Maintenance of some substations is reliant on Eskom (Masons & Northdale). Currently construction of outdoor structure in Northdale is underway thus maintenance could not be done as outage had not been taken place. Also, delays in the awarding of contract for substation maintenance resulted in some substations not being attended.	Follow up with Eskom on the planned outage and renewal of SLA for maintenance of substations. Contract for the maintenance of substations will be awarded in 24/25 FY	31-Dec-24	Job Cards, Check sheets, Purchase orders and Register	ESS 01	NKPA 2 - BASIC SERVICE DELIVERY	Number of Substations Maintained	Number	30 x Substations Maintained by the 30th of June 2025	N/A	31	3 (100% - 129%)	N/A	N/A	N/A	Inspection sheet, Job cards and Register
ESS 03	NKPA 2 - BASIC SERVICE DELIVERY	number of new household electricity connections completed	500 x new household electricity connections completed by 31 June 2024	700 x new household electricity connections completed in various wards by the 30th of June 2024	821	3 (100% - 129%)	More budget was made available resulting in more connections being achieved than originally planned	N/A	N/A	Close-out report, register, completion certificate	ESS 02	NKPA 2 - BASIC SERVICE DELIVERY	Number of new household electricity connections completed	Number	300 x new household electricity connections completed by the 30th of June 2025	340 x new household electricity connections completed by the 30th of June 2025	478	4 (130% -149%)	Additional funds (R2 000 000.00) were made available by Council for household connections in May 2025.	N/A	N/A	Close-out Report, meter installation form and register
ESS 07	NKPA 2 - BASIC SERVICE DELIVERY	number of Street lights maintained in various wards	30000 x Street lights maintained in various wards by the 30th of June 2024.	20000 x Street lights maintained in various wards by the 30th of June 2024.	19829	2 (70% - 99%)	Challenges with funds and supply of material for maintenance of streetlights.	ESS Business unit to Submit requests for sufficient funding for streetlight maintenance. Contractors engaged to supply material to increase minimum levels at stores to increase minimum stock levels	31-Jul-24	Job Cards, Register, purchase order	ESS 03	NKPA 2 - BASIC SERVICE DELIVERY	Number of Street lights maintained	Number	15000 x Street lights maintained by the 30th of June 2025	N/A	11153	2 (70% - 99%)	Unavailability of the following required materials from Municipal Stores: Cable (16mm) Major Circuit Breaker (MCB)	Request Stores to order more materials for the new financial year. Buy outs to be considered where necessary.	30-Sept-25	Job cards and register

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			ANNUAL 23/24FY PROGRESS REPORT								ANNUAL 24/25FY PROGRESS REPORT										
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ESS 18	NKPA 2 - BASIC SERVICE DELIVERY	Percentage of disconnections attended for non-payment received from Finance	100% disconnections attended for non-payment received from Finance by the 30th of June 2024.	100% disconnections attended for non-payment received from Finance by the 30th of June 2024.	88.57% (30773/34742)	2 (70% - 99%)	Some lists received for disconnections do not have addresses and thus cannot be located and some are duplications.	Request disconnection lists with accurate addresses from Finance Unit	30-Sept-24	Debt list and Register	ESS 08	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Number of electricity disconnections attended	Number	100% of electricity disconnections attended by the 30th of June 2025	39000 of electricity disconnections attended by the 30th of June 2025	63 183	5 (150% - 167%)	More disconnections were issued by the Revenue BU	N/A	N/A	Disconnection notice, Disconnection register
ESS 19	NKPA 2 - BASIC SERVICE DELIVERY	Percentage of reconnections attended for non-payment received	100% reconnections attended for non-payment received from Budget & Treasury unit by the 30th of June 2024	100% reconnections attended for non-payment received from Budget & Treasury unit by the 30th of June 2024	94% (2784/2956)	2 (70% - 99%)	Some addresses are erroneously added (faults & reinstatements) on the reconnection list	Engage Finance Unit to attach the disconnection notice that was issued to the customer by ESS along with disconnection list.	Ongoing	FAX and Register	ESS 09	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Number of electricity reconnections attended	Number	100% of electricity reconnections attended by the 30th of June 2025	4500 Electricity reconnections attended by the 30th of June 2025	6 621	4 (130% -149%)	More reconnections were issued by the Revenue BU	N/A	N/A	Reconnection instruction schedule/fax and register
ESS 16	NKPA 2 - BASIC SERVICE DELIVERY	Percentage of faulty/defective meters Attended/ replaced/ rectified	100% of faulty/defective meters Attended/ replaced/ rectified by the 30th of June 2024	100% of faulty/defective meters Attended/ replaced/ rectified by the 30th of June 2024	99% (2784/2804)	2 (70% - 99%)	Some properties could not be accessed.	Finance Revenue to verify information prior to sending to technical for actioning	Ongoing	Memo and register	ESS 06	NKPA 4 FINANCIAL VIABILITY & MANAGEMENT	Number of faulty/ defective meters Attended/ replaced/ rectified	Number	100% of faulty/defective meters Attended/ replaced/ rectified by the 30th of June 2025	1200 of faulty/ defective meters Attended/ replaced/ rectified by the 30th of June 2025	1 412	3 (100% - 129%)	N/A	N/A	30-Jun-25	Memo & Register
ESS 09	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Capital Expenditure spent for the Electricity Supply Services	100% of Capital Expenditure spent for the Electricity Supply Services Business Unit by the 30th of June 2024 (Capital Expenditure spent vs original budget per quarter)	100% of Capital Expenditure spent for the Electricity Supply Services Business Unit by the 30th of June 2024	81% (143785648,23/ 177607084,56)	1 (69% & below)	Late Receipt of DBSA loan funding resulted in the project including shortage of materials	Project deferred to 2024/25 FY	31-Jul-24	Disbursement remittance document and Expenditure Report	ESS 10	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Capital Expenditure spent	Percentage	100% of Capital Expenditure spent by the 30th of June 2025	N/A	35.66% (R 83 564 071.0 /R 234 315 856.0)	1 (69% & below)	Delays in the transfer of funds from DBSA resulted in the late start of projects. Transfer from DBSA was received on the 20th of March 2025.	N/A	N/A	SAP expenditure report and Disbursement Remittance
ESS 10	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Operational Expenditure spent for the Electricity Supply Services	100% of Operational Expenditure spent for the Electricity Supply Services Business Unit by the 30th of June 2024	100% of Operational Expenditure spent for the Electricity Supply Services Business Unit by the 30th of June 2024	94% (191655294/ 203470904)	2 (70% - 99%)	Challenges with material for maintenance. Delay with finalization of maintenance contract	Commence with sourcing of required material prior to the beginning of projects. Engage SMC in the improvement of turnaround time for the finalisation of contracts.	31-Dec-24	Expenditure Report.	ESS 11	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Operational Expenditure spent	Percentage	100% of Operational Expenditure spent by the 30th of June 2025	N/A	91.95% (R 168 369 294 /R 183 092 997)	2 (70% - 99%)	Currently there is an amount of R3 182 232,08 (for servitude mains.) under investigation and an additional R7 464 286,81 for accruals. These amount to R10 646 518,89. There are also some invoices that are still being corrected and processed.	Encourage timeous submission of invoices from Service Providers and to Finance by the Unit for payment to avoid accruals.	31-Dec-25	SAP expenditure report
ESS 11	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of Critical Posts Filled in ESS	100 % of Critical Posts Filled in ESS by the 30th of June 2024	100 % of Critical Posts Filled in ESS by the 30th of June 2024	0,00%	1 (69% & below)	Frequent Postponements of Shortlists and Interviews.	Fast Tracking the completion of outstanding Shortlists and Interviews.	31-Oct-24	HR Monthly Reports.	ESS 12	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of Posts Filled	Percentage	100 % of Critical Posts Filled by the 30th of June 2025	N/A	48.14% (13/27)	1 (69% & below)	Non appointment of a service provider to capture matrix, caused delays in the filling of the posts	Appointment of service provider to capture matrix and vet incumbent will expedite the filling of vacant posts	31-Dec-25	Appointment letters, Adverts, contract award letter
ESS 14	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage Electricity losses reduced to 22%	Total Electricity losses reduced to 22% by the 30th of June 2024	Total Electricity losses reduced to 22% by the 30th of June 2024	18.78%	3 (100% - 129%)	N/A	N/A	NA	Monthly losses calculation	ESS 07	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Total Percentage of electricity losses reduced	Percentage	Total Electricity losses reduced by the 30th of June 2025	Total Electricity losses reduced to 17% by the 30th of June 2025	Reduced to 23,32%	2 (70% - 99%)	The municipality sold less electricity than it bought due to Illegal connections, tampering with electricity by disconnected customers, faulty meters	Removal of illegal connections, monitoring those disconnected due to non-payment of accounts	30-Jun-26	Electricity loss calculations table
ESS 12	NKPA 2 - BASIC SERVICE DELIVERY	Percentage of applications of new households with access to electricity completed	100% applications of new households with access to electricity completed by the 30th of June 2024	100% applications of new households with access to electricity completed by the 30th of June 2024	100%	3 (100% - 129%)	N/A	N/A	N/A	Register, job cards and works orders	ESS 04	NKPA 2 - BASIC SERVICE DELIVERY	Percentage of electricity connections completed	Percentage	100% electricity connections completed by the 30th of June 2025	N/A	100% (33/33)	3 (100% - 129%)	N/A	N/A	N/A	Meter certificate, job card and Register
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	ESS 13	NKPA 2 - BASIC SERVICE DELIVERY	Number of Poles Maintained	Number	N/A	400 x Poles Maintained by the 30th of June 2025	537	3 (100% - 129%)	N/A	N/A	N/A	Job Cards and Register

Electricity Supply Services

SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL 23/24FY PROGRESS REPORT								SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL 24/25FY PROGRESS REPORT							
			ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT					ORIGINAL ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	ESS 14	NKPA 2 - BASIC SERVICE DELIVERY	Number of meters of MV Al Cable completed	Number	N/A	Laying of 8420m x MV Al Cable completed by the 31st of June 2025	3 450m	1 (69% & below)	Delays in the transfer of funds from DBSA resulted in the late start of the project and only 3450m of MV Cable	Project prioritised for completion in the 2025/26 FY.	30-Aug-25	Disbursement Remittance and Monthly Progress Report
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	ESS 05	NKPA 2 - BASIC SERVICE DELIVERY	Number of High Mast Lights erected	Number	N/A	15 x High Mast lights erected by the 30th of June 2025	0	1 (69% & below)	Project could not be implemented due to restrictions on funds by MIG on utilising funds on consultants instead of Construction as planned.	New application will be made for funding of High Mast construction.	31-Dec-25	MIG Project Registration Form
ESS 08	NKPA 2 - BASIC SERVICE DELIVERY	Percentage of roof top PV installations commissioned	100% of roof top PV installations commissioned (as per applications) by the 30th of June 2024.	100% of roof top PV installations commissioned (as per applications) by the 30th of June 2024.	0% (0/12) of roof top PV installations commissioned (as per applications) by the 30th of June 2024.	1 (69% & below)	The 12 applications received are still being processed as the unit has no control over the construction of roof top PV.	Indicator will be removed in the 24/25 financial year as ESS cannot determine whether the approval can be attained within a single FY.	2025/06/30	Customer applications	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ESS 17	NKPA 2 - BASIC SERVICE DELIVERY	Number oof Msunduzi Municipality electricity domestic meters & Commercial Meters audited	16000 of Msunduzi Municipality electricity domestic (credit, prepaid) meters & Commercial Meters audited by the 30th of June 2024.	16000 of Msunduzi Municipality electricity domestic (credit, prepaid) meters & Commercial Meters audited by the 30th of June 2024.	4938	1 (69% & below)	re-allocation of funds to Opex took longer. Allocation was done late in May 2024	Allocation of funds to Opex WBS in July 2024. Finance to create specific budget for auditing	31-Jul-24	register, progress reports	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ESS 15	NKPA 2 - BASIC SERVICE DELIVERY	Number of new household electricity connections completed	50 x new household electricity connections completed by the 30th of June 2024	50 x new household electricity connections completed by the 30th of June 2024	50	3 (100% - 129%)	N/A	N/A	N/A	Close-out report, completion certificate and register	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL 23/24FY PROGRESS REPORT								SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL 24/25FY PROGRESS REPORT							
			ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT					ORIGINAL ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
MMO 01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	% of IDP Activities completed as per Departmental Operational Plan	100% of IDP Activities completed as per Departmental Operational Plan by the 30th of June 2024	N/A	85% of IDP Activities completed as per Departmental Operational Plan by the 30th of June 2024	2 (70% - 99%)	Council decision was taken that only 4 Izimbizo must take place in the view of the available budget,	Not provided	Not provided	Departmental SDBIP	MMO 01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of IDP Activities completed as per Operational Plan	Percentage	100% (5) of IDP Activities completed by the 30th of June 2025	N/A	80%	2 (70% - 99%)	SP 23 - Due to reduced debt collection, the Budget was reduced and therefore management took a decision that only 2 sessions would be held	SP 23 - Based on the available budget the number of Izimbizo/ Roadshows will be facilitated	Jun-26	Minutes, Presentations, Attendance Register, Reports and resolutions
MMO 02	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	% of PMS Activities completed as per Departmental Operational Plan	100% of PMS Activities completed as per Departmental Operational Plan by 30th of June 2024	N/A	80% of PMS Activities completed as per Departmental Operational Plan by 30th of June 2024	2 (70% - 99%)	1. Delay in submission of Performance Agreements to PMS unit which would lead to the late posting on the website, 2. Adjustment SDBIP submitted outside of the 28days, 3. POE report not being submitted in time due to other matters that required attention of the department in the 2022 Audit	Enforce Compliance to timeframes by Business unit	2025/06/01	Departmental SDBIP	MMO 02	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of PMS Activities completed	Percentage	100% (13) of PMS Activities completed by 30th of June 2025	N/A	69,23%	1 (69% & below)	SP 15 - Council raised a dispute with the AG, the AG did not finalise the Audit by the 31st of January 2025	SP 15 - Annual Report to be tabled at a meeting of the Council as soon as the outstanding documents is received SP 16 & 17 - 3 x DMM Vacancies (Electricity, Community Services and SD & CE) & 1 x MM Suspended and undergoing a disciplinary enquiry SP 18 - The timeframe for submission to MEC was achieved, however the total number of submitted performance agreements was not met due to vacancies and DC processes	Jun-26	Minutes, Presentations, Attendance Register, Reports and resolutions SP 16 & 17 - 2025/06/30 SP 18 -- 202506/30

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ANNUAL 23/24FY PROGRESS REPORT											ANNUAL 24/25FY PROGRESS REPORT										
SDBIP REF-ERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Appli-cable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	SDBIP REF-ERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Appli-cable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
MMO 03	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	% of PURP Activities completed as per Departmental Operational Plan	100% of PURP Activities completed as per Departmental Operational Plan by 30th of June 2024	N/A	100% of PURP Activities completed as per Departmental Operational Plan by 30th of June 2024	3 (100% - 129%)	N/A	N/A	N/A	Departmental SDBIP	MMO 03	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	100% (5) of PURP Activities completed as per Operational Plan	Percentage	100% (5) of PURP Activities completed by 30th of June 2025	N/A	80%	2 (70% - 99%)	SP 27 - The reports for June, July and August 2024 was only finalised & consolidated into 1 report in September 2024, due to delays on the Business Units submissions regarding CBD Regeneration Implementation Plan.	SP 27 - Business Units were advised to ensure attendance at the CBD Regeneration meeting and submit monthly information timeously.	Jun-26	TMC Agendas, Reports, Resolutions, Policies
MMO 04	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	% of CDS Activities completed as per Departmental Operational Plan	100% of CDS Activities completed as per Departmental Operational Plan by 30th of June 2024	N/A	71% of CDS Activities completed as per Departmental Operational Plan by 30th of June 2024	2 (70% - 99%)	Late submission to the Committee Officer due to delays in information submission by Business unts	The office to devise a plan through the involvement of Madam Speaker to ensure timeous submissions and meeting of target in the 24/25 FY.	Not provided	Departmental SDBIP	MMO 04	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	100% (6) of CDS Activities completed as per Operational Plan	Percentage	100% (6) of CDS Activities completed by 30th of June 2025	N/A	66,66%	1 (69% & below)	SP 2 & 3 - non-submission of information within the specified time frame to compile and submit the reports by the 30th of June 2025	SP 2 & 3 - Communication was sent to Workstream champions to revise the submission deadline and adhere to the specified timeframe.	Jun-26	Invite Agenda Register Presentation Minutes Reports E-Mails TMC Resolutions
MMO 08	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Number of Media engagements conducted	4 x media engagement conducted by the 30th of June 2024	4 x media engagement conducted by the 30th of June 2024	4 x media engagement conducted by the 30th of June 2024	3 (100% - 129%)	N/A	N/A	N/A	Notice, agenda, minutes & attendance register	MMO 07	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Number of Media engagements conducted	Number	N/A	4 media engagements conducted by the 30th of June 2025	4	3 (100% - 129%)	N/A	N/A	N/A	Invitation, Programme and Attendance Register
MMO 13	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	1 x Oversight Process Plan Report adopted	1 x Oversight Report 22/23 FY tabled and adopted by Council by the 31st of March 2024	N/A	1 x Oversight Report 22/23 FY tabled and adopted by Council by the 31st of March 2024	3 (100% - 129%)	N/A	N/A	N/A	Oversight Report & Council Resolution	MMO 05	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Number of Oversight Reports tabled	Number	N/A	1 Oversight Report 23/24 FY tabled and adopted by Council by the 31st of March 2025	1	1 (69% & below)	The delay in the receipt of the audit outcome from the Auditor-General impacted the overall timeline for finalising the annual report, including the associated oversight process.	The audit outcome has since been received, and the oversight report was finalised and submitted to Council at the earliest possible opportunity.	31-Mar-26	Oversight report and council resolution
MMO 14	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Date Annual Risk Management plan submitted to the Risk Management Committee	Annual Risk Management Plan produced & submitted to the Risk Management Committee Annually by the 30th of June 2024	Annual Risk Management Plan produced & submitted to the Risk Management Committee Annually by the 30th of June 2024	Annual Risk Management Plan produced & submitted to the Risk Management Committee Annually by the 30th of June 2024 NOT ACHIEVED	1 (69% & below)	The slight deviation was cause by the request by the Acting Chairperson of risk Management to infuse her thoughts & her ideas into the plan and the meeting only took place after the financial year end.	Availability of the Chairperson and Municipal Manger in time to share thoughts and idea into the new plan	The following financial year period i.e. 2024-2025	Minutes of the meeting of Risk Management Committee	MMO 06	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Number of Risk Management Plans submitted	Number	N/A	1 Annual Risk Management Plan submitted to Risk Management Committee by 30 June 2025	0	1 (69% & below)	The meetings were scheduled for 8 July 2025 which falls into the new financial year.	N/A	Jun-26	Risk Management Operational Plan & RMC agenda
MMO 19	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	100% of Capital Expenditure spent for the Corporate Services	100% of Capital Expenditure spent for the Office of the Municipal Manager BU by the 30th of June 2024	100% of Capital Expenditure spent for the Office of the Municipal Manager BU by the 30th of June 2024	77.83%	3 (100% - 129%)	N/A	N/A	N/A	Annexure B	MMO 09	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	% of Capital Expenditure spent	Percentage	N/A	100% of Capital Expenditure spent by the 30th of June 2025	167%	4 (130% -149%)	N/A	N/A	N/A	None
MMO 20	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	100% of Operational Expenditure spent for the Corporate Services	100% of Operational Expenditure spent for the Office of the Municipal Manager by the 30th of June 2024	100% of Operational Expenditure spent for the Office of the Municipal Manager by the 30th of June 2024	85%	2 (70% - 99%)	N/A	N/A	N/A	N/A	MMO 10	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Operational Expenditure spent	Percentage	N/A	100% of Operational Expenditure spent by the 30th of June 2025	101,64%	3 (100% - 129%)	N/A	N/A	N/A	None
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	MMO 11	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of Posts Filled	Percentage	N/A	100% of Posts Filled by the 30th of June 2025	14%	1 (69% & below)	SVAs not submitted on time, matrix not completed in time and non-availability of managers for shortlisting's	Facilitate the submission of SVAs for critical vacant positions	Jun-26	SVAs, adverts and appointment letters
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	MMO 08	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Number of reports on the status of selected cases of fraud & corruption which are under Hawks criminal investigation and or prosecution prepared & submitted to the Audit Committee	Number	N/A	4 x reports on the status of selected cases of fraud & corruption which are under Hawks criminal investigation and or prosecution prepared & submitted to the Audit Committee by June 2025	3	2 (70% - 99%)	Post of Senior Manager Forensic Investigation is vacant	Implement the 2023 Organogram or appoint acting incumbent	Jun-26	Cover reports and AC resolutions

OFFICE OF THE MUNICIPAL MANAGER

ANNUAL 23/24FY PROGRESS REPORT											ANNUAL 24/25FY PROGRESS REPORT											
SDBIP REF-ERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Appli-cable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	SDBIP REF-ERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Appli-cable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
MMO 06	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	% of the communication strategy implemented	100 % of the communication strategy implemented by the 30th of June 2024	N/A	80 % of the communication strategy implemented by the 30th of June 2024 NOT ACHIEVED	2 (70% - 99%)	Council adopted an organogram and a new logo which required policy review prior to implementation. Delays in SCM processes led to other activities not being implemented.	Targets that were not implemented will be carried over to the next financial year	2024/2025 fy	Source documents in line with specified activities in the activity plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MMO 07	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Number of stakeholder engagement on Radio	12 stakeholder engagement on Radio conducted by the 30th of June 2024	12 stakeholder engagement on Radio conducted by the 30th of June 2024	12 stakeholder engagement on Radio conducted by the 30th of June 2024	3 (100% - 129%)	N/A	N/A	N/A	Invitation, programme & attendance register	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MMO 12	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	1 X Oversight Process Plan prepared	1 x Oversight Process plan for the 2022/2023 FY prepared & submitted to Council by the 30th of June 2024	N/A	1 X Oversight Process Plan prepared and submitted to Council	3 (100% - 129%)	N/A	N/A	N/A	Oversight process plan and council resolution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MMO 16	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Development & submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25 FY to the Audit Committee and Council for approval	Development & submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25 FY to the Audit Committee and Council for approval by the 30 June 2024	Development & submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25 FY to the Audit Committee and Council for approval by the 30 June 2024	Annual Work Plan & Calendar of activities for 2024/25 FY developed	3 (100% - 129%)	N/A	N/A	N/A	Report (with plan & calendar)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MMO 11	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Percentage of wards with functional ward committees	100% wards with functional Ward Committees by the 30th of June 2024	100% wards with functional Ward Committees by the 30th of June 2024	95% wards with functional Ward Committees by the 30th of June 2024	2 (70% - 99%)	N/A	N/A	N/A	Front page of sectoral reports	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

BUDGET & TREASURY OFFICE

ANNUAL 23/24 FY PROGRESS REPORT												ANNUAL 24/25 FY PROGRESS REPORT											
SDBIP REFER-ENCE	NATIONAL KEY PER-FORMANCE AREA	INDICATOR	UNIT OF MEASURE-MENT	ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	SDBIP REF-ERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLE-MENT COR-RECTIVE MEASURES	SOURCE DOCU-MENT
BTO 01	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	% of Monthly collection rate of current debt	Percentage	90% Monthly collection rate of current debt achieved for the 23/24 FY by the 30th of June 2024	N/A	86%	2 (70% - 99%)	Customer's non-compliance with the payments within 30 days and the rampant tampering within the city.	Revenue En-hancement Team that sits weekly and chaired by the City Manager. Weekly Revenue Col-lection meetings chaired by Chief Financial Officer. Increased Water Restrictions and Electricity Disconnec-tions. Weekly Monitoring of the Debt Collectors Progress Made. Operation Qoqimali is underway col-lecting the high arrear debt.	30 September 2024	Monthly age analysis report, SMC report	BTO 01	NKPA 4 - MUNIC-IPAL FINANCIAL VIABILITY	percentage of Monthly collec-tion rate of current debt	Percentage	90% Monthly collection rate of current debt by the 30th June 2025	N/A	80%	2 (70% - 99%)	There is a lack of payment including the appetite for making payment by consumers. Most of the consumers are struggling to make payments towards their current debt.	There is a Revenue Enhancement Team that sits weekly, and it is chaired by Municipal Manager . Weekly Reve-nue Collection meetings chaired by the Chief Financial Officer. In-creased Water Restrictions and Electricity Disconnec-tions .Weekly Monitoring of debt Col-lectors	30-Jun-26	Monthly Age Analysis Report
BTO 02	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	% of Monthly collection rate of arrear debt	Percentage	10% Monthly collection rate of arrear debt achieved for the 23/24 FY by the 30th of June 2024	N/A	0%	1 (69% & below)	Customer's non-compliance with the payments within 30 days and the rampant tampering within the city.	Revenue En-hancement Team that sits weekly and chaired by the City Manager. Weekly Revenue Col-lection meetings chaired by Chief Financial Officer. Increased Water Restrictions and Electricity Disconnec-tions. Weekly Monitoring of the Debt Collectors Progress Made. Operation Qoqimali is underway col-lecting the high arrear debt.	30 June 2024	Monthly age analysis report, SMC report	BTO 02	NKPA 4 - MUNIC-IPAL FINANCIAL VIABILITY	percentage of Monthly collection rate of arrear debt	Percentage	10% Monthly collection rate of arrear debt achieved for the 24/25 FY by the 30th of June 2025	N/A	0%	1 (69% & below)	There is a lack of payment including the appetite for making payment by consumers. Most of the consumers are struggling to make payments towards their current debt.	There is a Revenue Enhancement Team that sits weekly, and it is chaired by Municipal Manager. Weekly Reve-nue Collection meetings chaired by the Chief Financial Officer. In-creased Water Restrictions and Electricity Disconnection. Weekly moni-toring of debt Collectors	30-Jun-26	Monthly Age Analysis Report

BUDGET & TREASURY OFFICE																						
ANNUAL 23/24 FY PROGRESS REPORT														ANNUAL 24/25 FY PROGRESS REPORT								
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASUREMENT	ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Msunduzi Municipality Consolidated Annual Financial Statement prepared & submitted to the AG	Date of Submission	1x Msunduzi Municipality Annual Financial Statement prepared & submitted to the AG by the 31st of August 2023	1	1	3 (100% - 129%)	N/A	N/A		Annual Financial Statement	BTO 06	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Number of Msunduzi Municipality Annual Financial Statement prepared & submitted	Number	1 x Msunduzi Municipality Annual Financial Statement to the AG by the 31st of August 2024	N/A	1	3 (100% - 129%)	N/A	N/A	N/A	Annual Financial Statement Report & Email Confirmation
BTO 03	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	% of all electricity and water meters read on a monthly basis	Percentage	75% of all electricity and water meters read on a monthly basis for the 23/24 FY by the 30th of June 2024	N/A	94%	3 (100% - 129%)	N/A	N/A	N/A	Meter reading stats report and TMC/SMC report	BTO 03	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Percentage of all electricity and water meters read	Percentage	75% of all electricity and water meters read 24/25 FY by the 30th of June 2025	N/A	86%	3 (100% - 129%)	N/A	N/A	N/A	Monthly Report & Resolutions
	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Final Draft budget for 2024/25 FY & two outer years prepared & submitted to TMC	Date of Submission	Final Draft budget for 2024/25 FY & two outer years prepared & submitted to TMC by the 15th of March 2024		Final Draft budget for 2024/25 FY & two outer years prepared & submitted to TMC by the 15th of March 2024	3 (100% - 129%)	N/A	N/A	N/A	Final Draft Budget 24/25 FY & TMC Resolution	BTO 12	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Number of Draft budgets for 2025/26 FY & two outer years prepared & submitted to TMC	Number	1 x Final Draft & Original budget for 2025/26 FY & two outer years prepared & submitted to TMC by the 15th of May 2025	N/A	1	3 (100% - 129%)	N/A	N/A	N/A	1 x Final Draft & Original budget for 2025/26 Report
BTO 09	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	100% of Capital Expenditure spent for the Budget & Treasury BU	Percentage	100% of Capital Expenditure spent for the Budget & Treasury BU by the 30th of June 2024	N/A	45%	1 (69% & below)	N/A	N/A	N/A	N/A	BTO 13	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	100% of Capital Expenditure spent	Percentage	100% of Capital Expenditure spent by the 30th of June 2025	100% of Capital Expenditure spent for the Budget & Treasury BU by the 30th of June 2025	66%	1 (69% & below)	Delay in implementation of BPC Module and the business unit received additional funding for the procurement of office furniture but there were some delays in procurement processes	A revised plan has been developed and agreed with the service provider.	Jun-26	C Schedule extract
BTO 10	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	100% of Capital Expenditure spent for the Budget & Treasury BU	Percentage	100% of Operational Expenditure spent for the Budget & Treasury BU by the 30th of June 2024	N/A	41%	1 (69% & below)	N/A	N/A	N/A	N/A	BTO 14	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Percentage of Operational Expenditure spent	Percentage	100% of Operational Expenditure spent by the 30th of June 2025	100% of Operational Expenditure spent for the Budget & Treasury BU by the 30th of June 2025	42%	1 (69% & below)	The business unit did not achieve the target due to implementation of cost curtailment and reduction on spending because of low cashflow	Business Unit to Improve Cash collection and uplift cost curtailment	Jun-26	C Schedule extract
BTO 11	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	75 % of Critical Posts Filled for the Budget & Treasury BU	Percentage	75 % of Critical Posts Filled Budget & Treasury BU by the 30th of June 2024	N/A	0%	1 (69% & below)	N/A	N/A	N/A	N/A	BTO 15	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	percentage of Posts Filled	Percentage	100 % of Critical Posts Filled Budget & Treasury BU by the 30th of June 2025	N/A	0%	1 (69% & below)	Matrix was not completed, due to backlog from previous financial year 22/23 & furthermore	Report to TMC requesting deviation from Recruitment Plan target of 70% on 30 June 2025	Jun-26	Report on Request for deviation Municipal Business Unit Recruitment Plan
BTO 12	NKPA 2 - BASIC SERVICE DELIVERY	6 000 indigent customers registered to receive the free basic service	Number	6 000 indigent customers registered to receive the free basic services by the 30th of June 2024	N/A	6 101 indigent customers registered to receive the free basic services by the 30th of June 2024	3 (100% - 129%)	N/A	N/A	N/A	Indigent Register, TMC/SMC resolution and Indigent Report	BTO 11	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Number of indigent customers registered	Number	6 000 indigent customers registered to receive the free basic services by the 30th June 2025	N/A	6 663 indigent customers registered to receive the free basic services by the 30th of June 2025	3 (100% - 129%)	N/A	N/A	N/A	Indigent Register, Monthly Report
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BTO 07	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Number of Msunduzi Municipality Consolidated Annual Financial Statement prepared & submitted to the AG	Number	1 x Msunduzi Municipality Consolidated Annual Financial Statement submitted to AG by the 30th September 2024	N/A	1	3 (100% - 129%)	N/A	N/A	N/A	Consolidated Annual Financial Statement Report & Email Confirmation
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BTO 08	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Number of Procurement Plan for the 2025/2026 financial year prepared and submitted to SMC for approval by Council by the 30th of June 2025	Number	1 x Procurement Plan for the 2025/2026 financial year prepared and submitted to SMC for approval by Council by the 30th of June 2025	N/A	1	3 (100% - 129%)	N/A	N/A	N/A	Procurement Plan 2025/2026 Financial & Resolution

BUDGET & TREASURY OFFICE

ANNUAL 23/24 FY PROGRESS REPORT												ANNUAL 24/25 FY PROGRESS REPORT									
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASUREMENT	ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BTO 09	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Number of Vehicles Purchased and Delivered	Number	10 x Vehicles Purchased and delivered for Msunduzi Municipality for the 24/25 FY by the 31st of May 2025	N/A	50	5 (150% - 167%)	•Additional capital budget was made available for the different Business units to purchase vehicles owing to the shortages of functional vehicles needed for service delivery. •The total number of vehicles reported is for all Business units and not just the Fleet section	N/A	N/A	Invoices
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BTO 10	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	percentage of All creditors be paid within 30 days	Percentage	All creditors must be paid within 30 days from date of receipt of invoice by Expenditure Management unit from suppliers by the 30th of June 2025	100% of all creditors must be paid within 30 days from date of receipt of invoice by Expenditure Management unit from suppliers by the 30th of June 2025	51%	1 (69% & below)	Cashflow Constraints does allow for payments to be made within the 30 days	Revenue Collection to be prioritised by affected Business units	N/A	Monthly Reports & Resolutions
	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Number of disconnections vs. reconnection rates submitted	Number	2 x monthly disconnection & reconnection Report submitted to TMC by the 30th of June 2024	N/A	2x monthly disconnection & reconnection Report submitted to TMC by the 30th of June 2024	3 (100% - 129%)	N/A	N/A	N/A	Disconnection & reconnection Report	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BTO 05	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Number of Quarterly reports on Consumer account data accurately updated (data cleansing) (consumer data is exactly as data on billing system) prepared and submitted to SMC	Number	4 x Quarterly reports on Consumer account data accurately updated (data cleansing) (consumer data is exactly as data on billing system) prepared and submitted by the 30th of June 2024	N/A	0 x Quarterly reports on Consumer account data accurately updated (data cleansing) (consumer data is exactly as data on billing system) prepared and submitted by the 30th of June 2024	1 (69% & below)	DBSA was still finalising the SCM processes for the appointment of the service provider to conduct data cleansing	DBSA appointed a service provider to conduct the data cleansing for the municipality. The project inception meeting was held in October 2023.	30 June 2024	Reports on data cleansing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

CORPORATE SERVICES

ANNUAL 23/24FY PROGRESS REPORT												ANNUAL 24/25FY PROGRESS REPORT									
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL TARGET	ADJUSTED ANUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
CS 01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Number of people trained based on PDPs received	Percentage	100% Training of all employees based on PDPs received from Business Units and in accordance with the approved 23/24 Workplace Skills Plan facilitated by the 30th of June 2024	N/A	175% (1061)	3 (100% - 129%)	N/A	N/A	CS 02	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Number of employees trained based on PDPs received from Bus in accordance with the WSP 24/25	Number	100% Training of all employees based on PDPs by the 30th of June 2025	510 x employees trained in accordance with the approved 24/25 Workplace Skills Plan facilitated by the 30th of June 2025.	588	3 (100% - 129%)	N/A	N/A	N/A	Attendance Registers for Training Courses
CS 02	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Number of Top Management Position filled	Number	1 x Top Management Position filled by the 30th of June 2024	3x Top Management Position filled by the 30th of June 2024	0	1 (69% & below)	Panel recusal, second process awaiting verification completion before interviews. 3. Deputy MM: Electricity - Initial Recruitment rerun due to COGTA not concurring to AP. Recruitment process awaiting Council Approval on reconstituted selection panel.	Processes will be concluded not later than the second quarter of the 2024/ 2025 financial year.	CS 03	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Number of Top Management Positions filled	Number	1 x Top Management Position filled by the 30th of June 2025	N/A	2	5 (150% - 167%)	Posts were filled for the DMM: Sustainable Development & City Enterprises and DMM: Electricity Supply Services	N/A	N/A	Appointment letter
CS 05	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Average % uptime of all information and communication Technology Solutions	Percentage	95 % uptime of all information and communication Technology Solutions by the 30th of June 2024		95%	3 (100% - 129%)	N/A	N/A	CS 09	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of uptime of all information and communication Technology Solutions	Percentage	95% uptime by the 30th of June 2025	N/A	99.4%	3 (100% - 129%)	N/A	N/A	N/A	Server uptime statistics document

CORPORATE SERVICES																					
				ANNUAL 23/24FY PROGRESS REPORT							ANNUAL 24/25FY PROGRESS REPORT										
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
CS 07	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	% of Secretariat & Auxiliary Services provided within Msunduzi Municipality in line with the SOP	Percentage	100% of Secretariat & Auxiliary Services provided within Msunduzi Municipality in line with the SOP by the 30th of June 2024	N/A	70%	2 (70% - 99%)	Not all targets were achieved on the SAS departmental SDBIP	N/A	CS 08	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of Secretariat & Auxiliary Services provided within Msunduzi Municipality in line with the SOP	Percentage	100% of Secretariat & Auxiliary Services provided by the 30th of June 2025	N/A	75%	2 (70% - 99%)	(a) Late submission/ returning of Council Resolutions Tracker from other BUBUs(b) Council Resolution Tracker was redone for corrections at the request of the acting SM:SAS.	3rd and 4th quarterly report to be done before 31 August 2025.	31-Aug-25	SAS POE (3/4 activities achieved)
CS 08	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	% of Legal Services provided within Msunduzi Municipality in line with the SOP	Percentage	100% of Legal Services provided within Msunduzi Municipality in line with the SOP by the 30th of June 2024	N/A	66%	2 (70% - 99%)	Not all targets were achieved on the Legal departmental SDBIP 1 legal brief, target was missed by 1 day as LA was still researching. Also, Due to the high volume of SLAs in our possession, we were attending according to the urgency of matters.it must be noted that we were also short staffed as the LA that was assigned went into early Labour and subsequently on early maternity leave.	comments were done as soon as all necessary information were gathered.	CS 01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of Legal Services provided within Msunduzi Municipality in line with the SOP	Percentage	100% of Legal Services provided by the 30th of June 2025	N/A	100%	3 (100% - 129%)	N/A	N/A	N/A	Legal Services SOP, POE File
CS 09	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	100% of Capital Expenditure spent for the Corporate Services	Percentage	100% of Capital Expenditure spent for the Corporate Services BU by the 30th of June 2024	N/A	94%	2 (70% - 99%)	The ETA for the equipment fell outside the year end (30 June 2024). As for the 17x network points and cabinets… Datacentric refused to assist due to monies owed to them and subsequently suspended the Msunduzi account.	N/A	CS 11	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Capital Expenditure spent for the Corporate Services BU	Percentage	100% of Capital Expenditure spent by the 30th of June 2025	N/A	86% (22357598,77 / 25814852,69)	2 (70% - 99%)	Laptops and computers were not delivered timeously, also furniture could not be purchased as there was no contract in place.	Provide Purchase orders to suppliers timeously	Nil - no budget to purchase computers and furniture	SAP printout of CS budget and expenditure
CS 10	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	100% of Operational Expenditure spent for the Corporate Services	Percentage	100% of Operational Expenditure spent for the Corporate Services BU by the 30th of June 2024	N/A	93%	2 (70% - 99%)	The ETA for the equipment fell outside the year end (30 June 2024). As for the 17x network points and cabinets… Datacentrix refused to assist due to monies owed to them and subsequently suspended the Msunduzi account.	N/A	CS 12	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Operational Expenditure spent for the Corporate Services BU	Percentage	100% of Operational Expenditure spent by the 30th of June 2025	N/A	97% (201491138 / 208207993)	2 (70% - 99%)	Paper and medication not delivered timeously	Provide Purchase orders to suppliers timeously	Aug-25	SAP printout of CS budget and expenditure
CS 04	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	100% Budget Spent on Purchasing ICT Network infrastructure	Percentage	100% Budget Spent on Purchasing ICT Network infrastructure by the 30th of June 2024	N/A	100%	2 (70% - 99%)	Servers and Storage have been replaced. CISCO Core switches bought and the remainder spent on aircon cooling system for the server room.	N/A	CS 10	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of allocated budget spent	Percentage	100% of allocated budget spent by the 30th of June 2025	100% of ICT allocated budget spent by the 30th of June 2025	96% (65467196 / 68461916	2 (70% - 99%)	Vacant posts + computers could not be delivered by 30 June 2025	Ensure Suppliers can provide services timeously and provide Purchasing orders to Suppliers timeously	Fill vacant posts by 31 January 2026	Extract from SAP for ICT budget and expenditure
CS 11	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	% of Critical Posts Filled	Percentage	100 % of Critical Posts Filled in Corporate Services by the 30th of June 2024	N/A	75%	1 (69% & below)	No critical posts for 2023/ 2024 FY were filled in the Msunduzi Municipality due to need to address backlog in attrition posts post from 2022 and 2023.	Recruitment Plans to accelerate recruitment have been done for approval by TMC	CS 07	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of Posts Filled	Percentage	100% of Critical Posts filled by the 30th of June 2025	100% of Posts filled by the 30th of June 2025	0%	1 (69% & below)	Deviation was requested due to Backlog Applications for prior financial Year	The revised and accelerated Recruitment plans to be completed and implemented	31-Dec-25	Deviation Report
CS 12	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Number of Final Progress reports on the 75% filling of critical posts in the Msunduzi Municipality	Number	1 x Final Progress reports on the 75% filling of critical posts in the Msunduzi Municipality submitted to TMC by the 30th of June 2024	N/A	1	1 (69% & below)	N/A	N/A	CS 04	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage Implementation of Employment Equity Plan	Percentage	2 x Reports prepared and submitted to TMC by the 30th of June 2025	100% Implementation of the Employment Equity Implementation Plan for the 24/25 FY by the 30th of June 2025	100%	3 (100% - 129%)	N/A	N/A	N/A	Quarterly report, TMC/CSPC resolution
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	CS 05	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of allocated budget spent	Percentage	12 x Reports prepared & submitted to TMC by the 30th of June 2025	100% Workplace Skills Plan budget spent by the 30th of June 2025	125.69%	3 (100% - 129%)	The overspend is due to the number of Interns contracts being extended for a period of time and the payment of stipends is coming from the Salaries GL and WBS.	The Skills Development has requested that the BTO create a line item under the salaries GL and WBS with a set Budget so that this can be monitored but this has not happened as yet.	The Unit does not have control over this.	WSP Implementation Reports
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	CS 06	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of Priority Posts	Percentage	N/A	10% Priority Posts filled within Msunduzi Municipality by the 30th of June 2025	0%	1 (69% & below)	Deviation was requested due to Backlog Applications for prior financial Year	The revised and accelerated Recruitment plans to be completed and implemented	31-Dec-25	Deviation Report
CS 03	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Number and Date Employment Equity Implementation Plan was approved	Number & date	100 % of Employment Equity Plan targets achieved in Msunduzi Municipality per Business Unit by the 30th of June 2024	1x Employment Equity Implementation Plan was approved by TMC on 04 March 2024.	1x Employment Equity Implementation Plan was approved by TMC on 04 March 2024.	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

CORPORATE SERVICES

SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL 23/24FY PROGRESS REPORT						SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL 24/25FY PROGRESS REPORT							
				ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE					ORIGINAL ANNUAL TARGET	ADJUSTED ANNUAL TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
CS 06	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Functional Integrated Call Centre	Number	Msunduzi SMART app (Cherwell) configured, implemented and operational by the 30th of June 2024	1 x Implementation of the Msunduzi SMART app (Ivante) by the 30th of June 2024	0	1 (69% & below)	Delays in terms of appointing the service provider contributed to not finishing the project on time. The software licenses have been paid for. The implementation got delayed due to delays in starting the project on time. Also getting all role players to be part of this project caused delays.	The revised project plan is in place.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

SUSTAINABLE DEVELOPMENT AND CITY ENTERPRISES

SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL 23/24FY PROGRESS REPORT								SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ANNUAL 24/25 FY PROGRESS REPORT							
				ORIGINAL SDBIP ANNUAL TARGET	ADJUSTED SDBIP TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT					ORIGINAL SDBIP ANNUAL TARGET	ADJUSTED SDBIPTARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
SD&CE 02	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number of Businesses visited and registered	Number	660 x Businesses visited and registered in the Business database by the 30th of June 2024	N/A	689	3 (100% - 129%)	N/A	N/A	N/A	Schedule of Business Registration	SD&CE 03	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number of Businesses registered	Number	"720 x Businesses registered by the 30th of June 2025"	N/A	1191	5 (150% - 167%)	Target exceeded due to weekly blitz with internal and external stakeholders	N/A	N/A	Schedule of Business Registration
SD&CE 04	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number of Businesses to be inspected	Number	720 x Businesses inspected for valid Business Licences by the 30th of June 2024	N/A	1616	5 (150% - 167%)	Blitz / operations with SAPS and Liquor Authority	N/A	N/A	Schedule of Businesses visited for compliance, Compliance Notices and Prosecutions issued	SD&CE 04	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number of Businesses inspected	Number	"900 x Businesses inspected by the 30th of June 2025"	N/A	1635	5 (150% - 167%)	N/A	N/A	N/A	Schedule of Businesses visited for compliance, Compliance Notices and Prosecutions issued
N/A	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Percentage Participation of Msunduzi Tourism events	Percentage	100% Participation of Msunduzi Tourism events as per the approved Tourism Events Calendar by the 30th of June 2024	N/A	83% (10/12)	2 (70% - 99%)	Film Workshop was postponed by Film KZN due shortages of Capacity. uMgungundlovu Film Festival took place however with no involvement of the municipality.	Events to be considered in the new financial year. Event organiser are requested to submit proposals timeously for next FY.	24/25 FY	Pictures, Posters	SD&CE 06	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number of Msunduzi Tourism events participated in	Number	"7 x Msunduzi Tourism events participated in by the 30th of June 2025"	N/A	7	3 (100% - 129%)	N/A	N/A	N/A	Pictures, Posters
N/A	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number Quarterly Msunduzi Training Workshops	Number	4 x Quarterly Msunduzi Training Workshops for Tourism SMMEs facilitated by the 30th of June 2024	N/A	2	1 (69% & below)	Workshop planned for the 2nd of July 2024, however postponed due to no electricity at the Tourism Hub for presentation projection. Register signed on 07 March states that it is a stakeholder meeting and not a workshop.	Workshop postponed to 30 August 2024	45534	Pictures, Invites , Attendance Register	SD&CE 07	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number of Quarterly Msunduzi Training Workshops facilitated	Number	"4 x Quarterly Msunduzi Training Workshops facilitated by the 30th of June 2025"	N/A	4	3 (100% - 129%)	N/A	N/A	N/A	Pictures, Invites , Attendance Register
SD & CE 13	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number of Business opportunities created	Number	20 x Business opportunities created for registered Local Businesses by the 30th of June 2024	N/A	20	3 (100% - 129%)	N/A	N/A	N/A	A signed client satisfaction form.	SD&CE 08	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number of Business opportunities created	Number	"20 x Business opportunities created by the 30th of June 2025"	N/A	20	3 (100% - 129%)	N/A	N/A	N/A	A signed client satisfaction form.
SD & CE 14	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number of Co-operatives and SMMEs visited and supported	Number	60 x Cooperatives and SMMEs visited and supported by the 30th of June 2024	N/A	60	3 (100% - 129%)	N/A	N/A	N/A	A signed client visitation satisfaction form.	SD&CE 09	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number of Cooperatives and SMMEs visited and supported	Number	"60 x Cooperatives and SMMEs visited and supported by the 30th of June 2025"	N/A	60	3 (100% - 129%)	N/A	N/A	N/A	A signed client visitation satisfaction form.
SD & CE 22	NKPA 6 - CROSS CUTTING	Number of Housing Units constructed	Number	874 x Housing Units constructed by the 30th of June 2024	273 x Housing Units constructed by the 30th of June 2024	267	2 (70% - 99%)	The project was running out of sites to work on and waiting for the DoHS to approve the request for condonation	Department of human settlements has approved the condonation request	45504	D6 certificates	SD&CE 14	NKPA 6 - CROSS CUTTING	Number of Housing Units constructed	Number	"280 x New Housing Units constructed by the 30th of June 2025"	140 x New Housing Units constructed by the 30th of June 2025	148	3 (100% - 129%)	N/A	N/A	N/A	D6 certificates
SD & CE 25	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	% of Capital Expenditure spent for the Sustainable Development & City Enterprises BU by the	Percentage	"100% of Capital Expenditure spent for the Sustainable Development & City Enterprises BU by the 30th of June 2024"	N/A	"58% (R169 468 057/ R292 221 197)"	1 (69% & below)	NIL INFORMATION SUBMITTED	30 June 2026	NIL INFORMATION SUBMITTED	Expenditure report	SD&CE 15	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Capital Expenditure spent	Percentage	"100% of Capital Expenditure spent by the 30th of June 2025"	N/A	"83,53% (127993649 / 153228886,22)"	2 (70% - 99%)	Human Settlements: The project experienced delays due to rain between January 2025 and March 2025 therefore during those months there were no spending.	Human Settlements: The rollover application of the unspent grant has been submitted to National Treasury, once approved the construction will resume and the funds will be utilised	45930	CAPEX report 300625 - extract 15062025

SUSTAINABLE DEVELOPMENT AND CITY ENTERPRISES

ANNUAL 23/24FY PROGRESS REPORT

SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL SDBIP ANNUAL TARGET	ADJUSTED SDBIP TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
SD & CE 26	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	% of Operational Expenditure spent for the Sustainable Development & City Enterprises BU	Percentage	"100% of Operational Expenditure spent for the Sustainable Development & City Enterprises BU by the 30th of June 2024"	N/A	"93% (R153 735 900,51 / R165 948 221,92)"	2 (70% - 99%)	NIL INFORMATION SUBMITTED	30 June 2026	NIL INFORMATION SUBMITTED	Expenditure report
SD & CE 27	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	% of Posts Filled Sustainable Development & City Enterprises unit	Percentage	75 % of Posts Filled Sustainable Development & City Enterprises unit by the 30th of June 2024	N/A	38% of posts filled by 30 June 2024	1 (69% & below)	Large volume of applications received vs human resource to sort, capture applications and finalise matrix	Posts to be filled in the new financial year as per the budget allocation 30 June 2026	By the end of the 24/25 financial year	Letters of appointment
SD & CE 10	NKPA 6 - CROSS CUTTING	Number of Hectares of land acquired by the Municipality	Number	"5 x Hectares of land acquired by the Municipality by the 30th of June 2024 "	N/A	6,2391	3 (100% - 129%)	N/A	N/A	N/A	Deed of transfer, final Notice of Expropriation
SD & CE 16	NKPA 6 - CROSS CUTTING	Number of sites baited and/or treated for Vector Control (rodent)	Number	17000 sites baited and/or treated for Vector Control by the 30th of June 2024	5000 sites baited and/or treated for Vector Control (rodent) by the 30th of June 2024	7078	3 (100% - 129%)	N/A	N/A	N/A	Rodent baiting records and register
SD & CE 17	NKPA 6 - CROSS CUTTING	Number of water samples taken & analysed for Water Quality Control	Number	1820 water samples taken & analysed for Water Quality Control by the 30th of June 2024	N/A	1930	3 (100% - 129%)	N/A	N/A	N/A	"Register of laboratory results / Listing "
SD&CE 01	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	number of work opportunities created through LED development initiatives	Number	1000 x work opportunities created through LED development initiatives including the 30th of June 2024	N/A	1000	3 (100% - 129%)	N/A	N/A	N/A	CWP Narrative Report
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	NKPA 6 - CROSS CUTTING	Number of Final Housing Sector Plan submitted to Full Council for approval	Number	Final Housing Sector Plan submitted to Full Council for approval by the 30th June 2024	1 x Final Housing Sector Plan submitted to Full Council for approval by the 30th June 2024	0	1 (69% & below)	Delays in circulation of the HSP report to municipal departments for comments. Currently finalising HSP report for submission to Full Council for approval	Finalize and submit the HSP	31-Jul-24	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SD&CE 03	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Average of 21 days taken to process Business License applications after date of receipt	Number of days	100% Business Licensing Applications processed within 21 days in terms of Business Act for the 22/23 FY by the 30th of June 2024	Average of 21 days taken to process Business License applications after date of receipt by the 30th of June 2024	Average of 4 days	5 (150% - 167%)	Applications captured earlier than the standard timeframe	N/A	N/A	Application register
N/A	NKPA 6 - CROSS CUTTING	Final Spatial Development Framework reviewed and submitted to TMC	Number	Final Spatial Development Framework reviewed and submitted to SMC by the 30th of June 2024	1 x Final Spatial Development Framework reviewed and submitted to TMC by the 30th of June 2024	1	3 (100% - 129%)	N/A	N/A	N/A	Final SDF ands approvals

ANNUAL 24/25 FY PROGRESS REPORT

SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL SDBIP ANNUAL TARGET	ADJUSTED SDBIPTARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
SD&CE 16	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Operational Expenditure spent	Percentage	"100% of Operational Expenditure spent by the 30th of June 2025"	N/A	"72,34% (23985375-5,77 / 3 3157658-9,67)"	2 (70% - 99%)	Human Settlements: Budget cut issues from Department of Human Settlements for all Human Settlements Projects.	Human Settlements: The Implementing Agent to revise the development programme to ensure targets are met.	45900	OPEX report 300625 - extract 21072025
SD&CE 17	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of Posts Filled	Percentage	"100 % of Posts Filled by the 30th June 2025"	N/A	14.28%	1 (69% & below)	Non appointment of a service provider to capture matrix, caused delays in the filling of the posts	Appointment of service provider to capture matrix and vet incumbent will expedite the filling of vacant posts	46022	Incumbents appointment letters (2/14 posts filled)
SD&CE 05	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number of Hectares of land acquired	Number	5 x Hectares of land acquired by the 30th of June 2025	N/A	16,47	5 (150% - 167%)	The unit did not anticipate that this specific property would be registered in this financial year	N/A	N/A	Deed of transfer, final Notice of Expropriation
SD&CE 11	NKPA 6 - CROSS CUTTING	Number of sites baited and/or treated	Number	"17 000 sites baited and/or treated by the 30th of June 2025"	N/A	18690	3 (100% - 129%)	N/A	N/A	N/A	Rodent baiting records and register
SD&CE 12	NKPA 6 - CROSS CUTTING	Number of water samples taken & analysed	Number	"1 820 water samples taken & analysed by the 30th of June 2025"	N/A	2132	3 (100% - 129%)	N/A	N/A	N/A	"Register of laboratory results / Listing "
SD&CE 02	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number of work opportunities created	Number	"1000 x work opportunities created by the 30th of June 2025"	N/A	1000	3 (100% - 129%)	N/A	N/A	N/A	CWP Narrative Report
SD&CE 18	NKPA 2 - BASIC SERVICE DELIVERY	Number of meters of bulk sewer outfall installed	Number	N/A	2000m bulk sewer outfall installed for Khalanyoni by the 30th of June 2025	2243,10m	3 (100% - 129%)	N/A	N/A	N/A	Progress report
SD&CE 13	NKPA 6 - CROSS CUTTING	Number of Final Housing Sector Plan submitted to TMC for Council approval	Number	1 x Final Housing Sector Plan submitted to TMC for Council approval by the 31st of March 2025	N/A	1	3 (100% - 129%)	N/A	N/A	N/A	Council resolution for the approved Final Housing Sector Plan
SD&CE 01	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Number of km of Old Edendale Road upgraded	Number	1,5km of Old Edendale Road upgraded by the 30th of June 2025	N/A	1,5km	3 (100% - 129%)	N/A	N/A	N/A	Partial completion certificate
SD&CE 10	NKPA 6 - CROSS CUTTING	Percentage of Safe City activities completed	Percentage	100% of Safe City activities completed by the 30th of June 2025	N/A	100%	3 (100% - 129%)	N/A	N/A	N/A	Stakeholders Meeting Minutes, Maintenance Schedule & ISO Certification
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

SUSTAINABLE DEVELOPMENT AND CITY ENTERPRISES																						
ANNUAL 23/24FY PROGRESS REPORT												ANNUAL 24/25 FY PROGRESS REPORT										
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL SDBIP ANNUAL TARGET	ADJUSTED SDBIP TARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	UNIT OF MEASURE	ORIGINAL SDBIP ANNUAL TARGET	ADJUSTED SDBIPTARGET	ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	SD&CE 19	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of allocated budget spent	Percentage	N/A	100% of allocated budget for engineering services spent by the 30th of June 2025	153%	5 (150% - 167%)	The contractor appointed five subcontractors to accelerate production on site and to facilitate the procurement of additional materials to support faster progress	N/A	N/A	"Interim payment certificate number 12 Progress report "

MEASURES TAKEN TO IMPROVE PERFORMANCE IN THE 2024/2025 FINANCIAL YEAR					
NUMBER	DEPARTMENT RESPONSIBLE	PERSON RESPONSIBLE	ACTION TAKEN	STATUS	REASON FOR DEVIATION
1	Budget and Treasury Office	CFO	Operation Qoqimali to try and recoup revenue from Customers, these are strategies to combat revenue enhancement	Ongoing	N/A
2	Budget and Treasury Office	CFO/SM Revenue Management	Weekly Revenue enhancement meetings to establish where Municipality can enhance its revenue Collection	Revenue enhancement statistics, solutions and strategies discussed in order to ensure that Revenue Collection is assisted with the collection of revenue	N/A
3	Budget and Treasury Office	CFO/SM Revenue Management	Weekly Capital Expenditure meetings to track the spending on Capital Expenditure per Business unit	Meetings to address Bottlenecks surrounding slow capital expenditure from Business uinits	N/A
4	Office of the MM	SM: Strategic Planning; Manager PMS	Review of Standard Operating Procedures to assist with control measures in relation to Organizational performance management	Policy Reviewed and Implementation to commence in the 25/26 FY	N/A
5	Office of the MM	SM: Strategic Planning; Manager CDS	Weekly meetings on the CBD Regeneration matters to address service issues that affect the CBD	CBD Service Delivery challenges addressed through Internal Stakeholder presentations	N/A
6	Office of the MM	SM: Strategic Planning; Manager PMS	Monthly reporting at Extended MANCO on the performance of Business units as per their Top Layer and Departmental SDBIP	Quarterly & Monthly Presentation of the SDBIP Performance, Policy & SOP Reviews	N/A
7	Office of the MM	SM: Strategic Planning; Manager PMS	Implementation of the AG Action Plan Recommendations as well as the Management report on the AOPO	Ongoing	N/A
8	Corporate Services	Huma Resources	The filling of Senior Management that were vacant in the 2024/2025 Financial year	DMM: Electricity Supply, DMM: Sustainable Development and City Enterprises Filled	DMM Community Services post remains vacant
9	Office of the MM	SM: Strategic Planning; Manager PURP	Coordinated the application for Budget Facility for Infrastructure (BFI) on the Msunduzi Water and Sanitation Infrastructure Upgrade (MWSIU) Programme	Complete	N/A
10	Budget and Treasury Office	CFO	Weekly AG Action Plan meetings to monitor AG Findings and discuss solutions to closing previous audit findings	AG Action plan to determine the achievements of the Financial Year.	N/A

INFRASTRUCTURE SERVICES BUSINESS UNIT

WATER & SANITATION

HIGH LEVEL SUMMARY

In the 2024/2025 financial year Msunduzi Municipality is facing significant challenges within water and sanitation services including human resources, tools of trade and plant & equipment. This severely impacts the rate of response to service delivery complaints received by the unit.

Even through all these challenges there were still highlights in completing planned projects like the connection of new consumers to the water and sanitation infrastructure as per received applications and the completion of the new water pipeline projects. In addition, all efforts are made to resolve high priority reports specifically for burst mains and sewer blockages whereby these are resolved more often than not in less than 24 to 48 hours.

The were projects that were not completed in the financial year will be completed in the next financial year, we only managed to complete 2.33km out of 3.5km that was planned, we only also experienced challenges in relation to the closure of faults reported for water stoppages and mainline blockages due to Duplication of jobs with different reference numbers on the Heat System cannot be closed off unless done manually.

The municipality is working to address these challenges, including implementing a non-revenue water reduction program and prioritizing maintenance and repairs. However, more needs to be done to ensure reliable and efficient water and sanitation services for residents

EMPLOYEE STATISTICS

EMPLOYEE: WATER AND SANITATION SERVICES					
Job Level	2023/2024	2024/2025			
	No. of Employees	No. of Posts	No. of Employees	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	204	398	181	217	0
T04-T08	19	78	20	58	74
T09–T13	63	123	61	62	50
T14-T18	8	18	6	12	67
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	**295**	**618**	**269**	**349**	**56**

FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE 2024/2025: WATER SERVICES R'000					
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)	-210 742	-1 488 800	-1 494 908	-301 078	-3,9%
Expenditure:					
Employees	126 084	137 763	135 463	119 553	-12%
Repairs and Maintenance	23 190	22 807	27 873	24 626	-12%
Other	32 541	22 701	88 584	91 113	22%
Total Operational Expenditure	**181 815**	**183 271**	**251 920**	**235 292**	**-80%**
Net operational (Service) Expenditure	**- 28 927**	**-1 305 529**	**-1 242 988**	**-65 786**	**-90%**

PRIORITY OF FAULT TYPE WATER

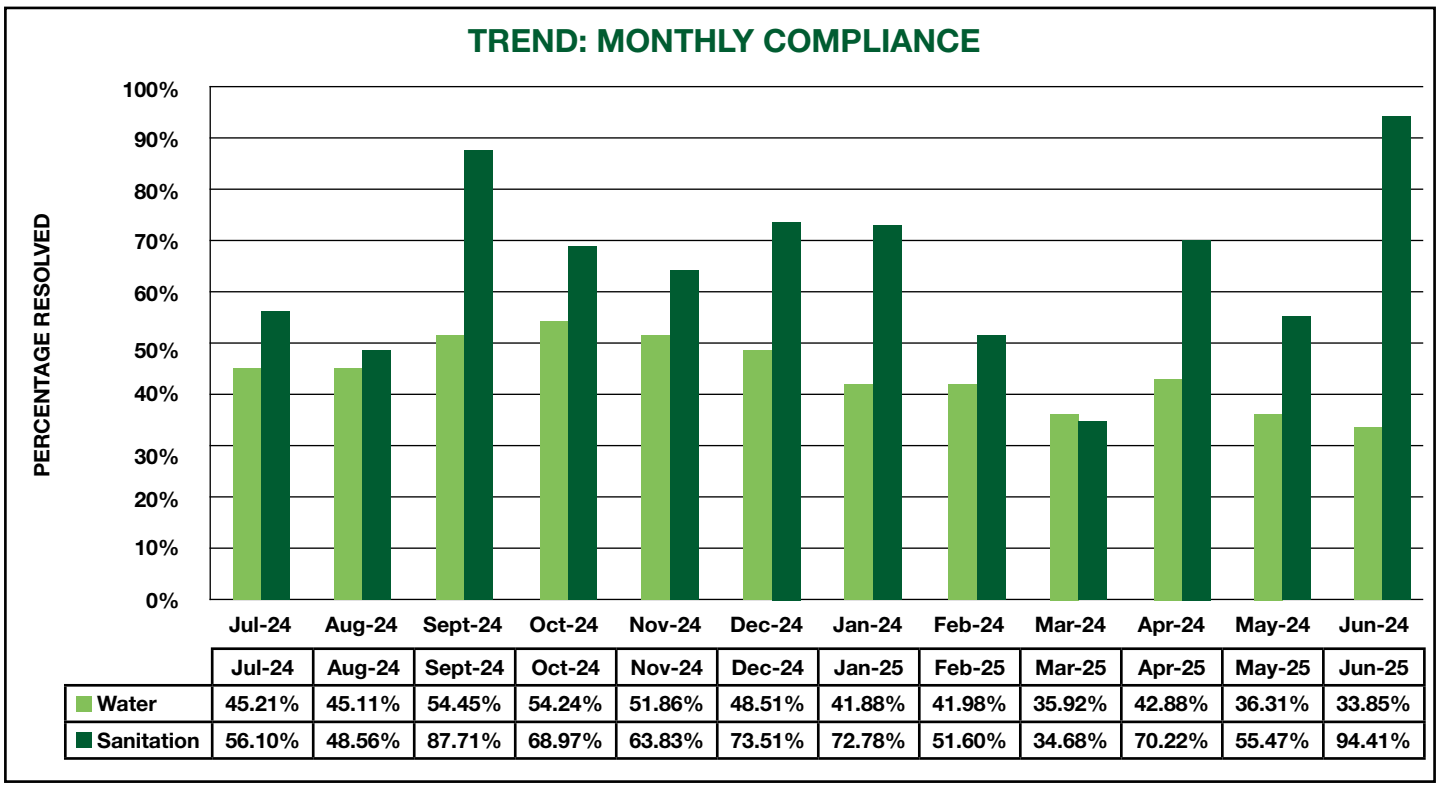
No.	FAULT TYPE	PRIORITY
1	Burst Mains	1
2	Brake Pressure Tanks & Reservoirs	1
3	Meter Stolen	1
4	No Water – Area/Road	1
5	No Water – Individual	2
6	Water Tampering	2
7	Muddy Water	2
8	Burst Services	2
9	High Water Pressure	2
10	Leaking Valves	3
11	Leaking Standpipes	3
12	Low Water Pressure	3
13	Meter Leaks	3
14	Faulty Stop Cock	3
15	Fire Hydrants	3
16	Meter Faulty	3
17	Missing Meter Covers	4

SANITATION

No.	FAULTY TYPE	PRIORITY
1	Municipal Mainline Blockages	1
2	Sewer Covers	1
3	Conservancy Tanks	2
4	Septic Tanks	2
5	Sewer Odour	2
6	Internal Blockages	3
7	Pit Latrines	3
8	Pump Stations	3
9	Broken/Damaged Manholes	4

As per the standard monthly reporting, this report is generated in order to outline all Water and Sanitation reactive queries for the period of 1 June 2025 to 30 June 2025.

The preceding month's statistics, including for the month of June 2025 with regards to faults logged and attended to (percentage complete) are graphically represented as follows: -



	Jul-24	Aug-24	Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Water	45.21%	45.11%	54.45%	54.24%	51.86%	48.51%	41.88%	41.98%	35.92%	42.88%	36.31%	33.85%
Sanitation	56.10%	48.56%	87.71%	68.97%	63.83%	73.51%	72.78%	51.60%	34.68%	70.22%	55.47%	94.41%

It should be noted that Msunduzi Municipality's new Municipal demarcations now include Ward 41. This has effectively doubled Water Services Authority area of jurisdiction with no additional staff.

In relation to planned maintenance schedules, these were prepared with the understanding that although the Water & Sanitation Sub-Unit has challenges conducting Reactive Maintenance tasks due to existing human resource challenges and ageing infrastructure, it will endeavour to adhere to the maintenance schedules.

SITUATIONAL ANALYSIS

In our current financial year (2024/2025), we recorded 1754 burst mains in 365 days which rounds up to 5 burst mains per day.

FINANCIAL YEAR	TOTAL NO. OF BURST MAINS	PERIOD
2023/2024	1490	1 July 2023 to 30 June 2024
2024/2025	1754	1 July 2024 to 30 June 2025

The number of bursts has shown an increasing trend over some financial years (refer to table above), which correlates with the precarious nature of our existing infrastructure. It should be noted that these burst main records are directly off our HEAT program and sometimes burst mains that get reported directly to Operational Staff or Management via Councillors or the public do not necessarily get captured on HEAT.

Problems are being experienced in the sewer reticulation system where broken pipes and dislodged joints invariably cause sewer blockages, which directly affects rivers systems and therefore the general health of the public. In our current financial year (2024/2025), we recorded 3729 mainline blockages in 365 days which rounds up to approximately 10 mainline blockages per day.

FINANCIAL YEAR	TOTAL NO. OF MAINLINE BLOCKAGES	PERIOD
2023/2024	3502	1 July 2023 to 30 June 2024
2024/2025	3729	1 July 2024 to 30 June 2025

With regards to water faults that were received and responded up to 30 June 2025, refer to table below: -

	July		August		September		Oct		Nov		Dec		Jan		Feb		March		April		May		June		TOTAL		
Fault Type	**Total**	**Closed**	**Total**	**Closed**	**Total**	**Closed**	**Total**	**Closed**	**Total**	**Closed**	**Total**	**Closed**	**Total**	**Closed**	**Total**	**Closed**	**Total**	**Closed**	**Total**	**Closed**	**Total**	**Closed**	**Total**	**Closed**	**Total**	**Closed**	**%**
Burst Main	108	108	149	149	108	108	169	169	201	201	149	148	172	172	121	121	160	128	135	113	152	120	130	101	1754	1638	93%
BPT's & Reservoirs	3	3	3	3	0	0	2	1	2	2	2	2	1	1	0	0	1	0	1	0	2	1	1	1	18	14	78%
Burst Service	155	2	146	1	128	1	226	1	170	1	137	0	179	1	164	4	174	4	127	3	197	9	171	1	1974	28	1%
Faulty Stop Cock	9	0	9	0	9	0	5	0	7	0	3	0	4	0	4	0	4	0	5	0	4	0	8	0	71	0	0%
Fire Hydrants	11	0	8	4	11	0	10	1	12	0	3	0	9	0	5	2	8	1	3	0	17	6	12	2	109	16	15%
Leaking Standpipes	1	0	2	0	1	0	2	0	3	0	1	0	0	0	2	1					1	1	2	0	15	2	13%
Leaking Valves	2	0	8	0	4	1	5	0	8	0	0	0	5	0	2	0	3	0	5	0	6	0	9	0	57	1	2%
High Water Pressure	4	3	0	0	1	1	0	0	0	0	0	0					1	0					2	2	8	6	75%
Low Water Pressure	30	30	29	20	22	22	34	25	23	10	14	2	19	0	21	8	23	7	6	4	25	14	30	25	276	167	61%
Meter Faulty	30	0	39	1	30	2	41	0	26	1	19	1	39	0	34	2	37	0	35	0	33	1	40	1	403	9	2%
Meter Leak	182	3	197	0	123	0	144	1	145	1	114	0	166	0	138	7	143	2	92	1	151	0	139	0	1734	15	1%
Meter Stolen	17	16	18	13	23	23	31	29	23	6	20	0	16	0	19	4	24	3	20	0	36	1	21	1	268	96	36%
Missing Meter Cover	1	0	2	0	0	0	1	0	2	0			2	0			1	0	1	0	2	0			12	0	0%
Muddy Water	1	1	3	3	1	1	2	2	2	2	3	3	3	3	4	4			3	3	3	3			25	25	100%
No Water - Area/Road	119	119	108	108	122	122	229	229	144	144	115	112	90	89	94	90	119	89	129	103	125	99	102	80	1496	1384	93%
No Water - Individual	36	36	44	44	39	39	73	73	64	64	26	26	51	51	25	24	36	30	32	29	40	34	37	25	503	475	94%
Water - Tampering	1	0	2	0	0	0	5	0	1	0			1	0	3	0	1	0	3	0	2	0	2	0	21	0	0%
Total	**710**	**321**	**767**	**346**	**622**	**320**	**979**	**531**	**833**	**432**	**606**	**294**	**757**	**317**	**636**	**267**	**735**	**264**	**597**	**256**	**796**	**289**	**706**	**239**	**8744**	**3876**	**44%**
Mainline Blockages	364	206	411	201	348	305	315	216	363	236	250	191	326	240	269	141	236	85	266	188	268	151	313	297	3729	2457	66%
Conservancy Tanks	1	0	1	0	1	0	1	1	3	0	16	4	10	5	7	1	5	0	4	2	4	0	5	3	58	16	28%
Pit Latrines									1	0															1	0	0%
Septic Tanks									1	0															1	0	0%
Broken Manholes	1	1	1	0					1	1					1	0	1	0	1	0	1	0			7	2	29%
Sewer Odour			1	0					2	2					1	1	2	0							6	3	50%
Missing Sewer Covers	3	0	4	2	1	2	3	3	5	1	2	2	2	1	3	2	3	1	1	1	1	1	4	4	32	20	63%
Pumpstation																	1	0							1	0	0%
	369	**207**	**418**	**203**	**350**	**307**	**319**	**220**	**376**	**240**	**268**	**197**	**338**	**246**	**281**	**145**	**247**	**86**	**272**	**191**	**274**	**152**	**322**	**304**	**3834**	**2498**	**65%**

As is clear, the Sanitation fault types are not as expansive as the potable water, however the environmental and social impacts associated with sanitation over-flows are equally, if not more, important.

Several vehicles requiring repairs resulted in the vehicles being sent to the workshop to be attended to. Nineteen vehicles are on hire to provide for reactive maintenance for water and sanitation. There are also five vehicles which were allocated to the Revenue Enhancement component.

The municipal high pressure cleaner unit had a few breakdowns thus affecting clearing of blockages and has since been repaired. One external high-pressure cleaner is on hire and is in use. Two new vacuum tankers have been purchased and are in use. One new TLB has been purchased and delivered. Two TLB's were on hire during June 2025.

ROADS AND TRANSPORTATION

INTRODUCTION TO ROADS

Based on the Road Asset Management Plan that was developed in 2015 the road network of Msunduzi Municipality consists of; 1203.5km of paved roads, 36.5 km of unpaved gravel roads, 335 km of track, earth roads and unimproved footpaths.

The Roads Section continues to address the backlog of Gravel Roads. An attempt is made yearly to upgrade 4-10km of gravel road into "all weather surfacing to render uninterrupted access and safety. (i.e., through geometric interventions).

The Roads section has completed its 5-Year Road Asset Management Plan (RAMP) and a Pavement Management System (PMS) to drive the Municipality's preventative/maintenance for five years. At approval of the RAMP document in June 2015, it was recorded that about 80% of Msunduzi surface roads which equate to 8 036 687 square meters require urgent rehabilitation attention. As from June 2015, after approval of the RAMP document to end June 2024 (end of 2023/24 financial year) about 661 369 square meters of roads have been rehabilitated through resurfacing, therefore the current roads rehabilitation known backlog is approximately 7 375 318, 00 square meters.

The RAMP also informs the upgrading of gravel roads program. The gravel roads and backlog are shown up to Ward level. Gravel roads backlog by the time of approval of the RAMP document was approximately 340 km and gravel roads that have been upgraded into all-weather surface since the approval of the RAMP document equates to 92 km, therefore the current known backlog is 277,62km.

The current RAMP document is due for review, as this document must be reviewed every 5 years. However, based on the current improvements achieved to date compared to the backlog, this document is still relevant up until there is a reviewed document in place. The process to review the RAMP document will commence during the 2025/26 financial year.

FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE 2024/2025: ROADS, TRANSPORTATION AND STORMWATER R'000					
Details	**2023/2024**	**2024/2025**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variances to Adjusted Budget %**
Total Operational Revenue (excl. tariffs)	**-45 056**	**-100 294**	**-145 961**	**-88 588**	**-65%**
Expenditure:					
Employees	82 454	87 605	92 605	78 457	27%
Repairs and Maintenance	149 973	158 872	121 126	164 961	-18%
Other	9 669	57 864	55 237	11 026	
Total Operational Expenditure	**236 451**	**304 341**	**268 968**	**254 444**	**-5,7%**
Net operational (Service) Expenditure	**191 394**	**204 047**	**123 007**	**165 856**	**25%**
Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

CAPITAL EXPENDITURE 2024/2025: ROADS, TRANSPORTATION AND STORMWATER R'000					
Details	**2024/2025**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variances to Adjusted Budget %**	**Total Project Value**
Total All					
LEVS: AH: NEW:COMPUTER EQUIPMENT	-	350 000,00	132 806,22	-62%	
LEVS:ZA: NEW:MACHINERY AND EQUIPMENT	600 000,0	400 000,0	182 720,00	-54%	
LEVS:ZA: NEW:TRANSPORT ASSETS	3 900 000,00	4 400 000,00	3 895 346,23	-11%	
LEVS: 4: ROADD REHAB - PMS	5 550 000,00	5 550 000,00	123 538 189,61		
MIG: 2: UPGG GRV RD-EDN-DAMBUZA MJ SWD UPG	7 300 000,00	10 000 000,00	8 643 086,39	-14%	
MIG: 1: UPGRR GRV ROADS-VULINDLELA-WARD 4	3 000 000,00	3 000 000,00	1 932 753,27	-36%	
MIG: 1: UPGRR GRV ROADS-VUL-WARD 1	7 378 170,25	13 502 240,34	8 222 854,24	39%	
MIG: 1: UPGRR GRV ROADS-VUL-WARD 5	7 000 000,00	12 000 000,00	9 862 234,48	18%	
MIG: Z1: REHAB OF BALENI ROAD SWEETWATER	7 000 000,00	8 191 777,00	7 120 191,50	-13%	
LEVS: 4: ROADD REHAB - PMS	-	-	-	-	
LEVS:ZA: PURCHASE OF ROADS DESIGN SOFTWAR	50 000	-	-	-	
MDRG: 4: MUNICIPALL DISASTER RD REHAB	10 000 000,00	-	-	-	
MIG: Z1: UPGR GRV ROADS MISSION	-	5 402	3 524	-35%	
LEVS:ZA: STORMWATER UPGRADE	500	500 000,0	-	-100%	
LEVS:ZA: SMALL PLANT	100 000,	-	-	-	
LEVS: Z2:UPG GRV RD-EDN-DAMBUZA SWD UPG	475 000,	1 900 000,00	-	-100%	
LEVS: Z1:UPGR GRV ROADS-VULINDLELA-WARD 4	475 000,00	-	-	-	
LEVS: 1: UPGRR GRV ROADS-VULINDLELA-WARD 9	475 000,00	-	-	-	
LEVS: Z1: REHAB OF BALENI ROAD SWEETWATER	475 000,00	-	-	-	
MDRG: 4: HENRYY FYNN CRESCENT	-	1 946 469,13	-	-100%	
MDRG: 4: LOWERR GREYLING STREET	-	7 778 195,93	6 763 649,24	-14%	
MDRG: 2: AZALEAA ROAD	-	6 087 297,96	4 554 349,60	-13%	
MDRG: 2: REHABB OF MOFOLO RD ASHDOWN	-	1 514 000,00	1 301 611,68	-25%	
MDRG: 2: REHABB OF TAU RD ASHDOWN	-	5 200 000,00	4 500 000,00	-14%	
MDRG: 4: REHABB OF CONNOR RD CHASE VALLEY	-	6 500 000,00	5 652 173,91	-13%	
LEVS: 1: UPGRR OF SOMAYI RD WARD 5	-	-	10 485 228,60	-	
LEVS: 2: Canalisation of Streams/bank pro	2 000 000,00	4 600 000,00	2 497 395,59	-46%	
MDRG: 4: MUNICIPALL DISASTER RD SREAM EMBK	3 214 000,00	-	-	-	
MDRG: 2: PEACEVALLEYY 2 LOW LEVEL BRIDG	-	6 139 183,86	5 338 420,75	-13%	
MDRG: 2: GUDLINTABAA BRIDGE CULVERT	-	1 500 000,00	1 265 158,60	-16%	
MDRG: 1: SHAYAMOYAA 2 BRIDGE CULVERT	-	1 500 000,00	1 022 783,83	-32%	
MDRG: 5: BAYNESPRUITRIVERBANKSKS	-	5 700 000,00	3 546 517,10	-38%	
LEVS: 4: NEWW:FURNITURE & OFFICE EQUIP	-	150 000,0	40 014,00	-73%	
LEVS:ZA: INSTALLAT OF NEW TRAFFIC SIGNALS	100 000,00	-	-	-	
LEVS: 5: TRAFFICC CALMING MEASURES	250 000,00	250 000,00	237 461,31	-5%	
LEVS:ZA: PURCHASE OF SIDRA SOFTWARE	500	-	-	-	
LEVS: 4: INSTALLATT OF NEW GUARD RAILS	800 000,0	800 000,00	786	-2%	
PTIG: AH:COMPUTER EQUIPMENT	-	500 000,00	-	-100%	
PTIG: 4: PUBLICC TRANSPORT INFRASTR	20 000 000,00	20 000 000,00	-	-100%	
LEVS: 4: PUBLICC TRANSPORT INFRASTR	12 370 143,91	12 370 143,91	453 173,54	-96%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

EMPLOYEE STATISTICS

EMPLOYEE: ROADS, TRANSPORTATION AND STORMWATER					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	224	405	206	199	49
T04-T08	12	47	10	37	79
T09–T13	32	114	31	83	73
T14-T18	3	18	4	14	78
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	**224**	**585**	**252**	**333**	**57**

GRAVEL ROAD INFRASTRUCTURE Kilometres				
	Total gravel Roads	New Gravel Roads constructed	Gravel Roads upgraded to tar	Gravel Roads graded/ maintained
2022/2023	285,32	-	3.55	37.5
2023/2024	281.32	-	4.59	32
2024/2025	277	-	4.0	33.02

TARRED ROAD INFRASTRUCTURE Kilometres					
	Total Tarred Roads	New Tar Roads	Existing Tar Roads re-tarred	Existing Tar Roads re-sheeted	Tar Roads Maintained
2022/2023	1 543.21	3.55	159 560sqm	-	62 999sqm
2023/2024	1 546,76	4.59	73840	-	54064
2024/2025	1547.47	4.0	128 029 sqm	-	55 000 sqm

COST OF CONSTRUCTION / MAINTENANCE R'000						
	Gravel			Tar		
	New	Gravel-Tar	Maintained	New	Reworked	Maintained
2022/2023	-	47 241 706	7 300 000	-	82 771 750	34 649 450
2023/2024	-	40 974 613	22 000 000	-	96 223 482	68 052 738.79
2024/2025	-	69 408 777	6 048 490	-	123 538 190	68 052 738.79

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:
The department has continued with its program of re-gravelling, maintenance of gravel roads and upgrading of gravel roads to all weather surfaces with a vision of reducing the high backlog of unsafe roads within the city.

Funds are slowly being made available by the Municipality towards the rehabilitation program. This program makes up the preventative maintenance of the department as a result, a total of 128 029 m2 of surface roads were rehabilitated, 55 000 square meters of pothole were repaired, and 4.0 km of gravel roads were upgraded to all weather surface roads during the 2024/25 Financial year.

INTRODUCTION TO TRANSPORTATION PLANNING
Transportation Planning is crucial in planning sustainable developments and ensuring accessibility for all people and developments.

The Transportation Planning Section is responsible for meeting the directives set out at all spheres of Government. The key principles of the Section are:

- Mobility & Land use
- Congestion
- City Efficiency
- Road Safety
- Accessibility

Transportation Planning Section performs the following functions:

- Evaluation, assessment, and sitting of transport facilities
- Planning, co-ordination, facilitation and provision of efficient and effective transport systems and infrastructure for all private and public transport.
- Planning, co-ordination, facilitation, provision, monitoring and regulation of efficient, effective public transport services and facilities within a balanced market demand and supply framework.
- Provides effective traffic management, control and safety through coordinated planning and maintenance programs such as road markings, traffic signals, guardrails and handrails.

COMMENT ON THE PERFORMANCE OF TRANSPORTATION PLANNING OVERALL:
The transportation Section continues to address the backlog of the installation of Traffic Calming measures, guardrails and bus shelters, Maintenance of Traffic Signals, Road Marking and Signage installation to improve safety in the municipal road network.

In the 2022/23 financial year, Non-Motorized Transport (NMT), Installation of Guardrails and Bus Stop Shelter projects were not implemented due to no Budget allocation. Transportation Section was able to achieve 136.56 km of road markings; replacement of 363 traffic signs & replace 123 poles. The department had planned to purchase two spray-painting machines in the 2022/23 financial year, unfortunately, there were no responsive bidders, and most of the work was done by hand.

INTRODUCTION TO WASTEWATER (STORMWATER DRAINAGE)

The Storm water division is primarily responsible for the maintenance and construction of storm water infrastructure within Msunduzi Municipality, such as:

- Unblocking of storm water drainage system
- Replacement of missing manhole covers
- Maintaining the entire infrastructure (storm water)
- Cleaning and rehabilitation of the storm water system and culverts
- Replacing broken pipes, catch pit inlets, manhole slabs, and covers.
- Installing new storm water systems, construction of open channels and sub-soil drains etc.

Due to insufficient budget, new systems were constructed as part of road network upgrades. Total of 20 meters of stormwater pipes were installed. However, this service is still under funded in terms of new or upgrade and maintenance of existing system. 1437 stormwater catchpits maintained and 18 393m of storm water channels were maintained during the 2024/25 financial year.

The municipality constructed 5.384km of storm water channel in various roads in the Greater Edendale and Vulindlela Area. This was to prevent or minimize flooding of Municipal Roads. Other new systems are constructed in association with road network upgrade. However, this service is still under funded in terms of new or upgrade and maintenance of existing system. 56km of storm water was maintained during the 2022/23 financial year.

Maintaining the stormwater infrastructure is important to ensure that properties and roads are not flooded during flash floods.

The main challenges faced by the Unit, including insufficient funding, are as follows:

- Illegal dumping of refuse in storm water outlets/inlets, open channels and manholes
- Damages to infrastructure e.g., broken manhole lids, kerb inlets damaged by vehicles etc.
- Ill-informed community on the importance of storm water infrastructure
- Theft of manhole covers

As part of the disaster grant, the following roads and culverts were rehabilitated and upgraded respectively.

Projects	Budget Allocated
Rehabilitation of Connor Road -Ward 25	6 500 000,00
Rehabilitation of Tau - Ward 23	5 175 000,00
Rehabilitation of Mofolo Road - Ward 23	1 496 853,43
Rehabilitation of Lower Greyling Street - Ward 27	8 721 039,52
Rehabilitation of Azalia Road -Ward 10	6 889 981.42
Rehabilitation of Gudlintaba Bridge Culvert - Ward 11	1 454 932,39
Rehabilitation of Shayamoya 2 Bridge Culvert - Ward 3	1 176 201,40
TOTAL	**31 414 008,00**

STORMWATER INFRASTRUCTURE Kilometre				
	Total Stormwater measures	New Stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2022/2023	40	5.384	-	56
2023/2024	45.384	4.59	-	10.195
2024/2025	45.384	1.048	-	1 096 catchpits & 18 393m channels

COST OF CONSTRUCTION / MAINTENANCE Rands			
	Stormwater Measures		
	New	Upgraded	Maintained
2022/2023	9 537 938,67	-	1 195 878.37
2023/2024	2 083 366,14	-	3 632 070,80
2024/2025	788 331	-	4 000 000

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The Municipality continues with the maintenance of stormwater program which is clearing of blocked stormwater drains and cleaning of catch pits. The new stormwater infrastructure that was constructed was implemented as part of new roads that were constructed and the stormwater infrastructure consisted of kerbs and channels, stormwater pipes and pipe culverts.

During the 2024/25 financial year, 1,048km of new stormwater infrastructure was constructed and 1 096 catchpits & 18 393m channels were maintained. The main challenge for stormwater system blockages is illegal dumping that ends up clogging the system when it rains, especially in the CBD and Townships. More community education about effects of illegal dumpling is still required.

INTRODUCTION TO MECHANICAL WORKSHOPS

Mechanical Workshop is a sub-unit of the Infrastructure Services Unit. The Manager Mechanical Workshops reports directly to the Deputy Municipal Manager Infrastructure Services.

Mechanical Workshops is responsible for the repairs and maintenance of Councils vehicle and plant. There are six workshops situated strategically around the city. Facility the process with Supply Chain Management (SCM) to outsource major components engines gearboxes differentials and C.O.F. (certificate of fitness) to service providers that are compliant on the SCM database.

STRATEGIC OBJECTIVES OF THESE SUB-SECTIONS
The Manager Mechanical Workshops is responsible for managing the repairs and maintenance to the five mechanical workshops. Excluded from the mechanical workshops is Fire and Emergency services workshops which reports directly to the Chief Fire Officer. The five workshops are situated at the following locations and caters for the following departments:

DOULL ROAD AND WASTE WORKSHOPS
Situated at 150 Mayors Walk, the workshop is split in two. The one half caters for Waste Management department and the other for the following departments, Water, Sewer, Plant Pool, Transportation, Roads, and Drainage. Waste Management refuse compactor repairs are done on an urgent base in conjunction with the SCM policy.

AUXILARY WORKSHOP
Situated at 150 Mayors Walk, the workshop Is responsible welding and fabricating, tyre and battery replacements. The scrapping of all tyres replaced in the Fleet is checked and managed with the service provider and the Auxiliary Foreman.

ELECTRICTY WORKSHOP
Electricity workshop is situated at 111 Havelock Road. The workshop foreman manages and controls Electricity and Traffic workshops. The workshops cater for the following departments, Electricity, Head Office Pool, the Mayoral and Speakers office.

TRAFFIC WORKSHOP
The workshop is situated at 21 Washington Road. The workshops cater for the following departments Traffic, Security and Airport quad bikes.

PARKS WORKSHOP
The workshop is situated in Alexandra Park. The workshop is split in two, a mechanical workshop for plant and vehicles and a small plant workshop for brush cutter repairs.

The mechanical workshops Section is a support unit for all business unit fleet to maintenance/ servicing and repair of the entire municipal fleet. The fleet consists of trailers, passenger sedans, light commercial vehicles, minibuses, heavy goods vehicles and “yellow plant” The section is responsible for utilising the Capital budget requirements for the replacement of existing fleet as well as new procurement as per end-user requirements on an annual basis (financial year).

Business units are responsible for all vehicles and Plant requiring repairs and maintenance are booked into the Municipal Workshops by the Departments. Business units are responsible for the management and control of all vehicles and plants allocated to them. New vehicles are procured with a Maintenance Plan of 160 000km or 3 years. This also applies to specialized load bodies and equipment as per specification. These maintenance plans are included and paid to the supplier at the time the vehicles or plant are procured, this to ensure that they are maintained by the respective Original Equipment Manufacturer (OEM) for the period of between 3 and 5 years.

Certain vehicle manufacturers do not offer a 160 000 km/5 years’ maintenance plan, in such cases the maximum plan available for e.g. 3 years/100 000 km maintenance plan will be procured. Special controls are required to ensure that Maintenance Plans and Warranties are not forfeited and therefore the Control of Services of Vehicles on Maintenance Plan has been monitored throughout the year jointly with the user departments who are beneficiaries in this case.

Maintenance plan does not cover everything e.g. Batteries and tyre’s etc, it’s when the workshop must come in if the vehicle is still under maintenance. The business unit must defect the vehicle and that vehicle must be send to the workshop for attention. All other fleet that are out of maintenance is service in house with the assistance of service providers through SCM process. For turnaround time workshop has contract in place for such assistance.

Mechanical workshop welcomed six artisan mechanics this financial year. We are planning to upgrade our workshop to the standard of the 21 centuries. We also hope this financial year we will have plan module on SAP so that we can do our reporting properly and be able to generate Job cards on the system.

FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE 2024/2025: MECHANICAL WORKSHOPS R’000					
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)	-	-	-	-	-
Expenditure:					
Employees	20 197	20 554	20 554	21 265	3%
Repairs and Maintenance	-	12 662	8 062	466	-94%
Other	2 773	3 780	2 980	674	-77%
Total Operational Expenditure	**22 970**	**36 996**	**31 596**	**22 405**	**-20%**
Net operational (Service) Expenditure	**22 970**	**36 996**	**31 596**	**22 405**	**-20%**

EMPLOYEE: MECHANICAL WORKSHOPS					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	27	51	25	26	-
T04-T08	6	14	5	9	64

EMPLOYEE: MECHANICAL WORKSHOPS					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T09–T13	16	25	18	7	28
T14-T18	-	1	1	-	-
T19-T22	-	-	-	-	-
T23-T25	-	-	-	-	-
Total	**49**	**91**	**49**	**42**	**46**

PROJECT MANAGEMENT OFFICE

PROJECT RELATING MUNICIPAL INFRASTRUCTURE GRANT (MIG AND WATER SERVICES INFRASTRUCTURE GRANT(WSIG)							
Ward Name (No)	Number	Project Name	Start Date	End Date	Progress 24/25 FY (End of June 2025)	Total Project Value Incl. Vat (R)	Completed or not Completed
Ward 1	1	Rehabilitation of Roads Vulindlela Ward 1(Khumalo Road)	19.11.2024	26.09.2025	45% of 1km Completed	23 370 268,73	Not Completed
	2	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00	Completed
Ward 2	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00	Completed
Ward 3	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00	Completed
Ward 4	1	Rehabilitation of Roads Vulindlela(D1138)	04.12.2022	30.07.2024	100% of 1.3km completed	11 791 162,98	Completed
	2	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00	Completed
Ward 5	1	Construction of 300mm dia. X 2.715km long steel pipeline	13.10.2023	23.04.2025	100% completed	44 196 584,00	Completed
	2	Rehabilitation of Roads Vulindlela (Makhaye Road)	13.03.2024	11.08.2025	90% of 0.68km completed	14 542 292,80	Not Completed
	3	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00	Completed
Ward 6	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00	Completed
Ward 7	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00	Completed
Ward 8	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00	Completed
	2	Construction of Community Hall (Kwa Zondi)	11.06.2025	10.06.2026	Site Establishment	20 519 597,39	Not Completed
	3	Construction of Community Hall (Elandskop)					
Ward 9	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00	Completed
Ward 10	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 11	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 12	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 13	1	Shenstone Ambleton Sanitation System	10.06.2025	30.07.2026	Site Establishment	16 526 071,90	Not Completed
	2	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 14	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 15	1	N/A	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A	N/A
Ward 16	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 17	1	N/A	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A	N/A
Ward 18	1	Shenstone Ambleton Sanitation System	11.06.2025	30.07.2026	Site Establishment	17 894 932,95	Not Completed
	2	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 19	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 20	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 21	1	Rehabilitation of Dambuza Main Road	18.02.2025	19.01.2026	60% of 1.8km Completed	34 456 867,26	Not Completed
	2	Elimination of Conservancy Tanks	19.09.2023	10.10.2024	100% of construction completed	25 070 951,18	Completed
	3	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 22	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 23	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 24	1	N/A	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A	N/A
Ward 25	1	N/A	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A	N/A
Ward 26	1	N/A	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A	N/A
Ward 27	1	N/A	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A	N/A
Ward 28	1	N/A	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A	N/A
Ward 29	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed

PROJECT RELATING MUNICIPAL INFRASTRUCTURE GRANT (MIG AND WATER SERVICES INFRASTRUCTURE GRANT(WSIG)							
Ward Name (No)	Number	Project Name	Start Date	End Date	Progress 24/25 FY (End of June 2025)	Total Project Value Incl. Vat (R)	Completed or not Completed
Ward 30	1	Ezinketheni Water Reticulation	17.11.2023	15.09.2025	95% of construction completed	27 617 879,67	Not Completed
	2	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 31	1	N/A	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A	N/A
Ward 32	1	N/A	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A	N/A
Ward 33	1	N/A	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A	N/A
Ward 34	1	Construction of Community Hall (Madiba)	14.05.2025	13.03.2026	Site Establishment	14 011 127,35	Not completed
Ward 35	1	Darvill Sewer Outfall	07.06.2023	12.12.2025	75% of construction completed	85 580 816,98	Not Completed
Ward 36	1	N/A	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A	N/A
Ward 37	1	N/A	N/A	N/A	N/A	N/A	N/A
Ward 38	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed
Ward 39	1	Ncwadi Water Supply	30.11.2023	20.05.2025	100% of construction completed	40 538 492,50	Completed
	2	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00	Completed
Ward 40	1	Construction of Sport Field (Mkangala)	01.05.2024	30.06.2025	100% of construction completed	15 158 098,00	Completed
	2	Rehabilitation of Baleni Road	22.11.2024	24.10.2025	95% of 0.7km Completed	9 108 618,67	Not Completed
	3	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00	Completed
Ward 41	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00	Completed

COMMUNITY SERVICES

INTRODUCTION TO WASTE MANAGEMENT

Msunduzi Municipality is a local sphere of government entrusted with a responsibility to provide a basic refuse collection service by means of a kerb side waste collection service provision. This can be by means of an indigent service provision as well a normal service provision which is paid for in terms of refuse collection charges to our customers.

In order for the Waste Management Unit to achieve the National standards for the weekly collection of waste for every household in terms of percentage of households/indigent households receiving this service , the section has implemented systems and plans to enhance its operation by developing waste collection schedules, waste operational checklists for waste collection as well as monitoring day to day operations through these schedules by means of Dashboard reporting on a weekly basis. The section has also had to procure additional waste collection fleet for the purpose of overcoming the challenges posed by the constant mechanical breakdowns that the unit experiences on a daily basis. The biggest challenges that the section has been facing is waste collection backlogs as a result of the mechanical breakdowns of its waste collection fleet.

The Waste Management section has an objective of providing 100% service to all it wards in terms of long-term strategic planning. It is against this background that the municipality will be looking into procuring addition bulk waste collection containers for coming financial year in order to achieve this objective.

The three top service delivery priorities are 100% waste collection service provision, waste minimisation and diversion and lastly New England Landfill rehabilitation and management. There is significant impact on these three service delivery priorities as we have ensured that plans and systems developed are functional and sustainable. This is in terms of compliance with the relevant waste legislative framework and also ensure that the municipality as the service authority runs a service that is sustainable and does not harm the wellbeing of human beings and the environment.

In terms of informal settlements, the municipality has identified areas through management by cleaning up illegal dumping hots spot within the informal settlements as well as s planning on terms of the outer year capital budget to procure equipment that will aid in the provision of waste collection services

WASTE MANAGEMENT (BUSINESS WASTE)

Business Waste is a section of the Municipality's Waste Management Unit. Business waste as a section focuses on providing businesses in Msunduzi Municipality catchment area with quality service as per each businesses' needs. The service provided entails the provision of an effective business refuse collection. This collection ranges from the collection of business refuse through the utilization of 240 Litre wheelie bins, 1.75 metre cubed skips and 15 metre cubed skips. The intervals of waste collection services vary between the businesses in accordance with waste generation quantities and the type of receptacle in use.

The section also is responsible for street cleansing of the Central Business District (CBD) and small business hubs in Northdale and Edendale. The street cleaning is undertaken daily, including on weekends. The operations are enhanced through detailed allocation of duties and streamlined managerial tools with intensified supervision of operations. With these plans the section can measure input in terms of the output which is clean Central Business District with emphasis on consistency. The goal is to have a city which is aesthetically acceptable and free from litter.

EMPLOYEE DATA BY STRATEGIC BUSINESS UNIT

WASTE MANAGEMENT

EMPLOYEE: SOLID WASTE MANAGEMENT SERVICES					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	269	359	261	98	27
T04-T08	40	72	36	36	50
T09–T13	13	14	6	8	57
T14-T18	2	2	2	-	-
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	**325**	**448**	**306**	**142**	**32**

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.

LANDFILL SITE

EMPLOYEE: LANDFILL SITE - WASTE DISPOSAL SERVICES					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	7	13	7	6	46
T04-T08	8	11	6	5	45
T09–T13	5	5	4	1	20
T14-T18	1	1	1	0	0
T19-T22	0	0	0	0	0
T23-T25	0	0	0	0	0
Total	**21**	**30**	**18**	**12**	**40**

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.

SOLID WASTE SERVICE DELIVERY LEVELS Households				
Description	2021/2022	2022/2023	2023/2024	2024/2025
	Actual Number	Actual Number	Actual Number	Actual Number
Solid Waste Removal (above min level)				
Removed at least once a week	120 000	120 000	64 114	59 182
Minimum Service Level and Above sub-total	120 000	120 000	64 114	59 182
Minimum Service Level and Above Percentage	73.6 %	73.6 %	N/A	N/A
Solid Waste Removal (below min level)				
Removed less frequently than once a week	43 000	43 000	43 000	43 000
Using communal refuse dump	-	-	-	-
Using own refuse dump	-	-	-	-
Own Rubbish Disposal	-	-	-	-
No Rubbish Disposal	43 000	43 000	43 000	43 000
Below Minimum Service Level sub-total	43 000	43 000	43 000	43 000
Below Minimum Service Level Percentage	23.4 %	23.4 %		
Total number of households	**163 000**	**163 000**	**163 000**	**16 300**
				T3.4.2

HOUSEHOLDS – SOLID WASTE SERVICE DELIVERY LEVELS BELOW MINIMUM Households						
Description	2021/2022	2022/2023	2023/2024	2024/2025		
	Actual Number	Actual Number	Actual Number	Original Budget No.	Adjusted Budget No.	Actual Number
Formal Settlements						
Total Households	120 000	120 000	64 114	116 000	59 182	59 182
Households below minimum service level	43 000	43 000	64 114	43 000	43 000	43 000
Proportion of households below minimum service level	26,4%	26,4%	N/A	27.0 %	30.24 %	30.24%
Informal Settlements						
Total Households	43 000	43 000	43 000	43 000	43 000	43 000
Households below minimum service level	43 000	43 000	43 000	43 000	43 000	43 000
Proportion of households below minimum service level	26%	26%	26%	27.0 %	30.24 %	30.24%
						T3.4.3

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:
In the 2024/25 financial year, the capital projects were aimed at procuring refuse compactor trucks. There were variations to this due to budgetary constraints. This led to hiring of compactor trucks and yellow earth moving plant to deal with the illegal dumping in the city. Bulk refuse containers were utilized for the containment and waste collection in the semi-rural areas. Landfill made progress in terms of compliance with the Waste Management Licence as it saw the financial year closing at 70% compliance.

The Central Business District was maintained through intensified as well as the implementation of operational tools like schedules and supervisory systems for improved operations around the whole municipal jurisdiction.

Procurement of compactors and yellow plants is still a major project to curb illegal dumping and for the presentation of an aesthetically acceptable city. There are discrepancies in the register for refuse removal. The unit has appointed a service provider to establish an accurate register which will be in sync with the Municipality's Billing register. The project will run from July 2025 to the end of October 2025. This will provide an accurate number of households which are serviced and those which are not.

RECREATION & FACILITIES

INTRODUCTION TO RECREATION AND FACILITIES
Recreation and Facilities comprise of the following core functional areas:
- Parks Management (Horticulture, flora and fauna and arboriculture)
- Sports & Recreation Management
- Cemeteries & Crematoria
- Conservation & Environment
- Library Services-Community Outreach Programs
- Maintenance of Council Buildings and Facilities
- Expanded Public Works Programs (EPWP)

SERVICE DELIVERY PRIORITIES

Libraries
Horticulture
Cemeteries
- Identification of new burial space
- Cremations
- Fencing of cemeteries
- Buildings & Facilities

ORGANIZATIONAL UNITS WITHIN RECREATION AND FACILITIES

BIO-DIVERSITY & NATURE CONSERVATION
The Biodiversity and Nature Conservation Section is responsible for the management, maintenance, and development of key conservation areas in accordance with the municipality's Environmental Management Plan. The unit oversees Bisley Nature Reserve, Ferncliffe Nature Reserve, and Kettlfontein Grassland Conservancy, in line with the National Environmental Management: Biodiversity Act (Act No. 10 of 2004) and the Nature Conservation Ordinance No. 15 of 1974.

Core functions include the identification and control of invasive alien plant species on municipal-owned land, the establishment and maintenance of fire breaks, and the implementation of block burns to support ecological fire management.

The section also maintains public open spaces within townlands, ensures the protection of biodiversity and infrastructure within protected environments, and responds to human-wildlife conflict incidents in a safe and responsible manner.

The section works in collaboration with Ezemvelo KZN Wildlife and the Department of Forestry, Fisheries and the Environment (DFFE) to strengthen conservation outcomes and ensure alignment with national and provincial environmental priorities. Environmental education and community awareness remain essential components of the unit's work, aimed at promoting sustainable conservation practices and public participation.

HORTICULTURE, ABORTICULTURE AND LANDSCAPING

CEMETERIES & CREMATORIA
Manage, administer and develop Cemeteries and Crematoria. Plans and implements the development of new cemeteries and crematoria. Prepares burial sites for burial. Manage the pauper burials (public health funeral and indigent) within Msunduzi municipality. Maintains the cemeteries by cutting grass. Enforces the cemeteries and crematoria by-laws.
LIBRARIES

SPORT AND RECREATION

Manage maintenance and development of all municipal sports and recreational facilities (Parks, Swimming pools and public open spaces) plus the promotion and development of sports and recreation. Coordination of major sporting events. Development of new sporting facilities. Prepares sports venues for major events. Coordinator's sports development.

BUILDINGS AND FACILITIES

MAINTENANCE	FOCUS AREAS
Electrical Maintenance	Repairs/installations to lights, plug points, distribution boards, etc.
Mechanical Maintenance	Repairs/installations of Air-conditioners, Lifts, water pumps, generators, etc.
Quantity Surveying	Preparation of estimates, Bill of Quantities, etc.
Works Inspectors	Project monitoring, site and building inspections

MAINTENANCE	FOCUS AREAS
Architectural Technologist	Preparing drawings/sketches for minor maintenance work.
Project Manager	Managing all building related projects.
Plumbers, carpenters, General workers (located at the Depot)	Attending to all reactive in housework at a rate & standard.

SERVICE STATISTICS FOR RECREATION AND FACILITIES

BIO-DIVERSITY & NATURE CONSERVATION

Service Delivery Priorities:

Conservation and Environment
- Control and management of alien invasive plant species on municipal land.
- Establishment and maintenance of fire breaks and implementation of block burns in conservation zones.
- Maintenance and development of conservation areas as per the Environmental Management Plan (EMP).
- Management of Bisley Nature Reserve, Ferncliffe Nature Reserve, Hesketh conservancy, Worlds View Conservancy and Kettlfontein Grassland Conservancy in line with the National Environmental Management: Biodiversity Act (Act 10 of 2004) and Nature Conservation Ordinance (No. 15 of 1974).
- Monitoring and protection of biodiversity within protected areas.
- Maintenance of infrastructure and ecological integrity in nature reserves and protected environments.
- Response to and resolution of human-wildlife conflict incidents.
- Compliance with environmental legislation and conservation best practices
- Environmental education and awareness programs to engage and inform local communities.

Challenges at the Bisley Nature Reserve:
- Severe infestation of alien invasive plants exceeds current control capacity.
- Urgent need for a formal alien plant management plan developed by a consultant.
- Staff shortages limit ability to maintain reserves and respond to incidents.
- Insufficient equipment hampers invasive species control and fire break maintenance.
- Budget constraints restrict conservation activities and infrastructure upkeep.
- Frequent vandalism, theft, and unauthorized access threaten reserve security.
- Existing staff are overburdened, causing delays and reduced field presence.
- Limited resources affect timely response to human-wildlife conflicts. Dependence on external partners for the control of alien invasive plants sometimes delays
- Project implementation.

Corrective measures include:
- Successfully applied for funding from the National Treasury to develop a comprehensive management plan for controlling alien invasive plants.
- Collaborated with FANTCH, sponsored by the Department of Forestry, Fisheries and the Environment (DFFE), to enhance alien plant control efforts.
- Partnered with Fuze Institute learners for three months, who assisted in responding to alien plant complaints, improving turnaround times.
- Coordinated closely with the Ezemvelo KZN Wildlife District Conservation Officer for effective responses to problem animal incidents.
- Worked alongside NGOs providing volunteer support for hiking trail maintenance, erosion control, and security at Bisley and Ferncliffe Nature Reserves.
- Actively engaged with local schools and communities through educational outreach programs to raise awareness of environmental conservation and promote responsible stewardship of natural resources

CEMETERIES & CREMATORIA

CLOSED CEMETERIES
- Commercial Road Cemetery
- Roberts Road Cemetery
- Georgetown Cemetery
- Slangspruit Cemetery
- Moses Mabhida (Heroes Acre)
- Dambuza (Madlelengileni)
- Azalea Cemetery

OPERATING CEMETERIES
- Ethembeni Cemetery
- Sinathingi Cemetery
- Mountain Rise Cemetery (Re-openings and pauper burials)
- Willowfountein Community Cemetery

HEROES ACRE
- Moses Mabhida Cemetery

MOUNTAIN RISE CREMATORIA

Crematorium 2 is non operational, all Cremations were taking place at Crematorium No.1. The number of cremations conducted is 257.

YEAR 2024		YEAR 2025	
November	39	January	40
December	46	February	10
		March	18
		April	32

YEAR 2024		YEAR 2025	
		May	57
		June	15

Challenges
Crematorium 1 is operational but there is no back-up generator in terms of load shedding and no bulk gas tank. Crematorium 2 has been refurbished it has an operational generator, it will be fully functional once the inspection of bulk gas tank has been done.

Corrective measures
The Municipality approved a process to lease their crematorium to a private developer and operator as well as a not-for-profit developer and operator. Unfortunately, the first attempt to secure suitable developers through the supply chain process resulted in only two bidders responding and both failed to meet the criteria required by the municipality. Then the project to refurbish was initiated because of the crematoria being dysfunctional and non-operational.

LIBRARIES

	Bessie Head	Mobile services	Northdale	Wood-lands	East-wood	Sobantu	Ash-burton	Alex-andra	Ashdown	George-town	Mafunze	Slang-spruit	Elandskop
Membership Sta-tistics	93 281	1 955	27 022	10 056	12 889	8 585	5 464	4 264	5 460	3 950	413	4 218	5 401
Issue statistics	46 793	35 493	70 552	29 457	20 338	12 694	7 770	15 283	6 472	8 164	Closed due to renova-tions	8 478	2 493
Adult reference user statistics	3 627	-	3 810	2 211	6 974	1 304		332	1 167	1 285		1 481	941
Children's reference user statistics	34 228	-	9 254	2 125	9 539	1 811		390	2 057	2 711		3 186	1 744
Internet café/study centre	26 864	-	7 511	697	6 556			1 212	3 431	4 409		1 537	2 191
Cataloguing statistic	15 333												
Outreach pro-grammes	Library Services conducted several outreaches programmed between July 2024 and June 2025, with all activities documented in monthly reports and newsletters.												

The Msunduzi Municipal Library Services comprises a network of eleven libraries, including the main Bessie Head Library, eight branch libraries, and three mobile library services.

Main Library: Bessie Head Library
The Bessie Head Library offers an extensive range of resources catering to all age groups. These include:
- Books and large print books
- Newspapers and periodicals
- Audiobooks, DVDs, music CDs, and scores
- CD-ROMs
- Specialized services for the visually impaired
- Foreign information and that includes American Corner and its Podcast, Ghandi Collections, Bessie Head Collections and Mzala Nxumalo Collections.
- Internet Cafes

Branch Libraries
Among the branch libraries, Northdale, Georgetown, and Eastwood are the largest. The smaller libraries include:
- Woodlands
- Sobantu
- Ashdown
- Ashburton
- Alexandra
- Mafunze
- Slangspruit
- Elandskop
- Copesville

While the branch libraries offer a more limited collection compared to the main library, every effort is made to meet the needs of the communities they serve. Northdale, Georgetown, and Eastwood Libraries provide:
- A limited Adult Reference service
- Study spaces for tertiary learners
- Free internet access

Library Maintenance and Developments
During the last financial year, all 3 libraries received maintenance, some work remains to be completed. However, due to funding constraints:
- Books were purchased
- No vacant, funded posts were filled, only contract workers were renewed.

Infrastructure Projects
- The Department of Sport, Arts and Culture is overseeing the tender processes for the new Imbali Library and construction on the Library has commenced.
- A new community library in Copesville (Ward 29) has been completed through a partnership between AfriSam and Msunduzi Municipal Library Services. Landscaping and fencing of the site are currently underway.

SPORT AND RECREATION

Total number of Sports Facilities – 62 (3 less: YMCA Sport facility-privately owned, Manor Sports facility-privately owned, and Tatham Sports facility-Jika Joe housing development)

Most of our sports facilities are in dire need of proper maintenance in terms of changing rooms painting, repair systems that include (showers, geyser, toilets, fencing, irrigation) to name a few general conditions. Additionally, there is a recruitment fallout of general workers, caretakers and security guards, hence the increase of vandalism and lack of maintenance around the sports facilities.

The pictures below depict the state of the sporting facilities on areas that need maintenance and proper structuring.

Total number of pools – 7

BUILDINGS AND FACILITIES

COMPLETED PROJECTS			
PROJECT	FUNDING SOURCE	PROJECT COST	ACTUAL PROGRESS
Refurbishment of Imbali Taxi Rank.	CNL	199 894.50	COMPLETE
Revamp of Washington Road -Traffic Department toilets.	CNL	147 792.04	COMPLETE
Repairs and Maintenance of Printing Office.	CNL	157 179.13	COMPLETE
Replacement of roof sheeting and box gutters at Mkhondeni Market.	CNL	2 454 000.00	COMPLETE
Repairs and Maintenance to Caluza Hall.	CNL	211 629.00	COMPLETE
Installation of a Gen Set at Prof. Nyembezi Building.	CNL	3 300 000.00	COMPLETE
Installation of new air conditioners at Prof. Nyembezi 8th floor offices.	CNL	350 000.00	COMPLETE

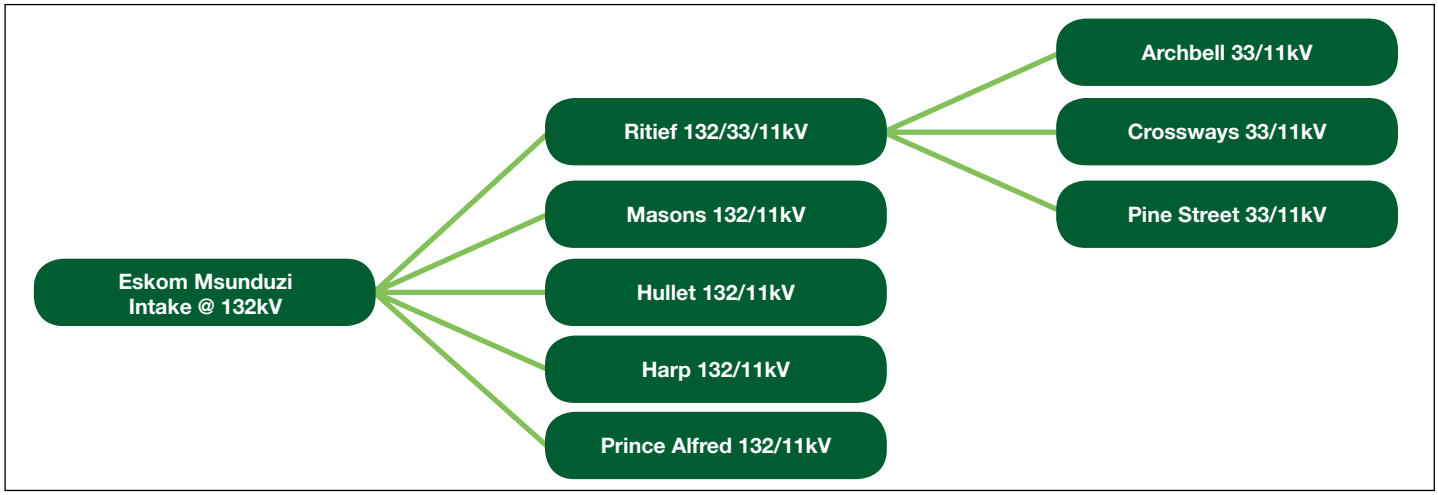
RECREATION & FACILITIES

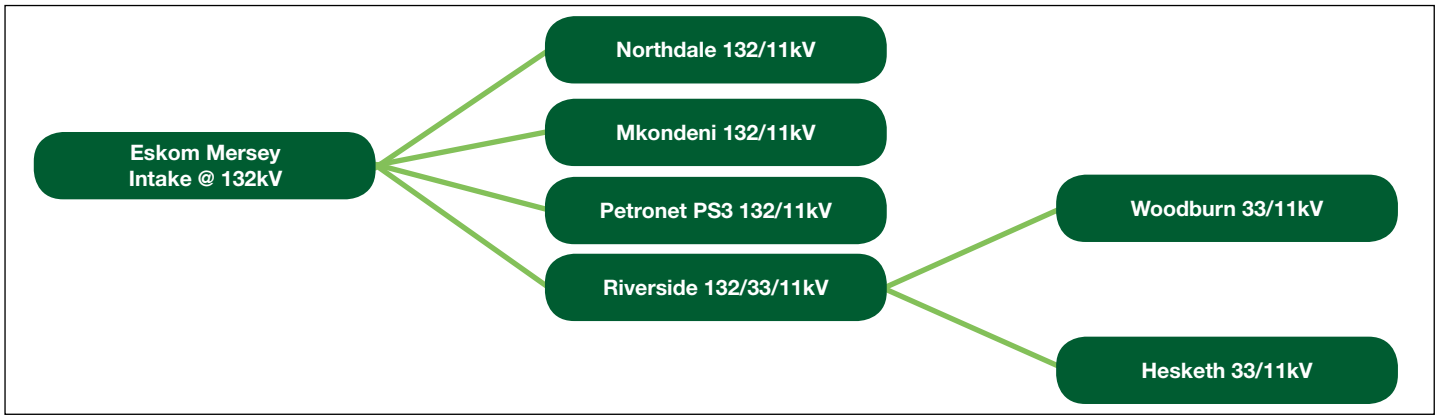
EMPLOYEE: RECREATION & FACILITIES					
ART GALLERY, BIO-DIVERSITY AND LANDSCAPE, CEMETERIES & CREMATORIUMS, LIBRARIES & SPORT AND RECREATION					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	357	653	338	315	48
T04-T08	165	302	155	147	49
T09–T13	49	70	51	19	27
T14-T18	9	13	9	4	31
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	581	1039	554	485	47
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.					

ELECTRICITY SUPPLY SERVICES

INTRODUCTION TO ELECTRICITY

Msunduzi Municipality is supplied with electricity via two 132kV feeds from Eskom's Mersey and Msunduzi substations. The municipality's distribution network includes 15 primary substations, serving a wide range of voltage levels from 132kV, 88kV, 33kV, and 11kV networks. Due to the varying voltage levels, these primary substations cannot be fully interconnected, limiting operational flexibility and redundancy. This also affects the diversity factor between the two supply nodes which could prove financially beneficial to the Municipality.





Furthermore, a significant portion of the infrastructure, including mission critical equipment at these substations, has reached the end of its economic service life. This presents a substantial risk of extended service disruptions in the event of equipment failure, underscoring the urgent need for capital injection to facilitate life-cycle renewal and safeguard long-term system reliability.

LEGISLATIVE PROVISIONS

The municipal electricity supply industry in South Africa is governed by a range of legislative provisions that establish the legal framework for the generation, distribution, and regulation of electricity services. The primary legislation is the Electricity Regulation Act (Act 4 of 2006), which mandates that all electricity distributors, including municipalities, must be licensed by the National Energy Regulator of South Africa (NERSA) and comply with license conditions. The National Energy Regulator Act (Act 40 of 2004) establishes NERSA's authority to regulate electricity tariffs and monitor performance. It further presides over any customer related disputes even utility to utility disputes where there are issues of electricity distribution license disputes. The Occupational Health and Safety Act (Act 85 of 1993) impose requirements for safe working conditions during the operation and maintenance of electricity networks.

EMPLOYEE: ELECTRICITY SERVICES					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	113	373	100	273	73
T04-T08	32	106	38	68	64
T09–T13	81	222	92	130	59
T14-T18	9	29	10	19	66
T19-T22	1	1	1	-	-
T23-T25	-	-	1	-	-
Total	**236**	**731**	**242**	**490**	**67**

According to the table above, the vacancy rate at electricity is sitting at 67% as of 30 June 2025 based on the 2013 organizational structure. The electricity network has continued to expand; services have extended whilst the network continues to age but the staffing levels has continued to shrink. Most of the technically competent Electricity Supply Services staff holding key positions are above 50 years of age and the most skilled are to retire in less than 5 years from now.

The current vacancy rate situation makes it very difficult to efficiently maintain and operate the ailing Msunduzi electricity network. This has resulted in poor provision of electricity services to customers which has resulted in prolonged outages, loss of revenue to customers who depend on electricity services for their production and normal daily living.

According to the table above, the vacancy amongst the skilled staff is 125 which constitutes 65% of the total skilled staff complement. This therefore means the Electricity Supply Services unit operating at 35% capacity of its total technical skills. This explains the high number of outages and extended turnaround times it takes to restore electricity supply and the trading service loss that is experienced.
Amongst the funded vacancies within the Electricity Supply Services, approximately 90 are technical posts that if filled, could make a significant improvement in the electricity supply reliability.

The impact of high vacancy rate is affecting the ability of the Municipality to recover its revenue from its customers. Electricity supply is used as the most effective tool in revenue recovery value chain. Since the Electricity Supply Services does not have adequate staff to fulfil this function, the Municipality experiences escalating debt booking year on year.

The Electricity Supply Services have been experiencing deteriorating gross profit in the last few years. This has resulted in the Electricity Supply Services as a trading service, experiencing a trading deficit year on year. In order to ensure that this is not the case, well experienced engineers, technicians and electricians need to be employed to constantly analyse the leakages in the network and strategically devise plans to counter these. These strategies, plans and programs should encompass the full retail value chain. Unfortunately, this cannot be said about the Electricity Supply Services of Msunduzi. The skeleton staff that is available is there just to see through the existing systems in the absence of resources for innovation.

The Electricity Supply Services has devised several plans to counter this with poor results. The use of external resources to fill the vacuum left by the non-appointment of skilled personnel has not worked. Outsourcing of services is a strategic decision that needs to be constantly kept in check. It is also not advisable to outsource organization's core functions. Furthermore, outsourcing is not a survival strategy but a gearing strategy to increase capacity quickly to meet the short-term demand without getting into long-term employment contracts for resources your will not need in the future.

Furthermore, since outsourcing is held together by extensive laid down contracts of engagement, it requires a different calibre of skills to manage the outsourced services. The organization needs to establish the areas in which they would wish to outsource the risk, thus subcontracting the services and putting together a structure with skilled personnel who will ensure that they do not only lose the money in paying outsourced services but double

their risk in the process.

The way outsourcing has been done to-date at Electricity Supply Services is that of the survivalist nature and it does not reward the Municipality that much, but it cost the municipality far more than it would have. The catch twenty-two situation is how to quickly build capacity with internal resources and take up these functions back to the insourced system. Unfortunately, the recruitment process takes far too long. It takes more than 18 months to fill a position from the day it becomes vacant to the date it is filled. In some cases, it takes even longer. This has to be drastically reduced to no more than 3 months.

The strategy that has also been used by the Electricity Supply Services is that of indenturing interns and training them to the level where they are competent to handle the workload of their trained skills and hopefully transition from interns to skilled internally appointed staff. Unfortunately, this has not helped since in February 2025, more than 26 interns were released whilst their services were needed. This resulted in an extensive vacuum in all operational units that depended on these interns.

FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE 2024/2025: ELECTRICITY SERVICES R'000					
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)	**(13 165)**	**(4 338 076)**	**(4 253 639)**	**(10 573)**	**(99%)**
Expenditure					
Employees	140 860	397 712	217 357	146 843	(32%)
Repairs and Maintenance	165 569	447 033	278 926	168 107	(10%)
Other	171 613	3 300 857	3 271 020	3 219 514	
Total Operational Expenditure	**478 042**	**4 145 602**	**3 767 303**	**3 534 464**	**(3,8%)**
Net operational (Service) Expenditure	**451 712**	**(192 474)**	**(486 336)**	**(3 523 891)**	**5%**

TOTAL OPERATIONAL REVENUE

It can be seen that during the 2023/24 financial year, the Electricity Supply Services trading service spent R165,569 million on its repairs and maintenance. Noting the challenges that were experienced during the financial year, the budget was increased to R447,033 million in 2024/25 financial year. Unfortunately, R278,926 million was taken away due to Electricity Supply Services failing to spend a good portion of this money by midyear. Finally, the Electricity Supply Services business unit only spent R168,107 million. This means that the business unit spent only R2,538 million [1,58%] more than the 2023/24 financial year. In effect this indicates that the maintenance conducted during the year did not improve the performance of the electricity network for the following financial year.

Unfortunately, the analysis cannot be 100% accurate since the figure includes repairs which is not maintenance. It will be important to separate the two in future so that maintenance which looks into the future is analysed separate from repairs. Repairs are not strategic and unplanned and very costly. Whilst maintenance is strategic, forward looking, planned and quantifiable. It is an efficient way of operating a utility to put more focus on maintenance as opposed to repairs. During the 2025/26 financial year the Electricity Supply Services will be refocused on maintenance as opposed to repairs.

EMPLOYEES

The table above reflects on Electricity Supply Services financial performance in terms of the allocated operational budget. The actual budget spent on employees during the 2023/24 financial year was R140,86 million. This budget was drastically increased to R397,712 million during the 2024/25 financial year in anticipation of increasing staffing levels in order to increase capacity of the Electricity Supply Services business unit. Unfortunately, R217,357 million was taken away noting the performance in filling the vacant positions. The Electricity Supply Services only increased its spending year-on-year by R5,983 million. It should be noted that this increase in spending [4,25%] is less than annual salary increase offered to Municipal employees from 1st July 2024. This therefore means the Electricity Supply Services staffing levels from 2023/24 to 2024/25 financial year did not increase instead it retarded. This is a matter of grave concern. This also indicates that the vacancy rate is not high because of no funding, but it is because of other reasons.

EMPLOYEE: ELECTRICITY SERVICES					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	113	373	100	273	73
T04-T08	32	106	38	68	64
T09–T13	81	222	92	130	59
T14-T18	9	29	10	19	66
T19-T22	1	1	1	-	-
T23-T25	-	-	1	-	-
Total	236	731	242	489	67
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.					

REPAIRS AND MAINTENANCE

CAPITAL EXPENDITURE 2024/2025: ELECTRICITY SERVICES R'000					
Details	2024/2025				
	Budget	Adjustment Budget	Actual Ex-penditure	Variances to Adjusted Budget %	Total Project Value
Total All					
Purchase of Ring Main Units Capital Equipment (DBSA): 15 x Ring Main Units (RMU) purchased	7 700 000,00		-		-
Purchase of Miniature Substations Capital Equipment (DBSA): 39 x mini substations (MS) purchased	27 000 000,00		27 699 698,28		27 699 698,28
Purchase of Pole Mounted Transformers Capital Equipment: 53 x pole mounted transformers (PMT's) purchased	9 500 000,00		9 470 200,00		9 470 200,00
Retrofitting of Conventional Streetlight fittings with LED fittings: 1 229 x Retrofitting of Conventional Streetlight fittings with LED fittings completed	4 950 000,00		4 827 229,00		4 827 229,00
Hilton Infrastructure Upgrade: Installation of 11kV Switchboard completed	10 000 000,00		1 358 535,17		1 358 535,17
Medium Voltage Network Upgrade: Excavation work for trenching and laying of 10640m x MV Al Cable completed	37 900 000,00		20 003 539,76		20 003 539,76
Mid -Block & T-Joints Services Relocation: 10 000m x LV cable laid	34 300 000,00		5 214 773,97		5 214 773,97
Ezinketheni Electrification: 200 x House Service Connections completed	3 271 000,00		3 271 000,00		3 271 000,00
Sweetwaters/Phayiphini Infills: 100 x House Service Connections completed	1 700 000,00		1 700 000,00		1 700 000,00
Eastwood Primary 132kV Network Upgrade: Laying of 8420m x MV Al Cable completed	40 000 000		6 736 882,6		6 736 882,6
Mason's Primary Network Upgrade: Excavation work for trenching of 3000m completed	60 915 856,00		-		-
New: Transport Assets: 6 x new transport assets delivered	4 000 000,00		3 977 079,48		3 977 079,48
Alabaster-Amethyst substation 11KV board: Installation of 1 x 11KV switchboard and mini-substation	4 500 000,00		2 509 481,09		2 509 481,09
Purchase of Miniature Substations Capital Equipment (CNL): 15 x mini substations (MS) purchased	12 000 000,00		10 805 702,00		10 805 702,00
Purchase of Pole Mounted Transformers Capital Equipment (CNL): 57 x pole mounted transformers (PMT's)	7 690 000,00		5 839 800,00		5 839 800,00
Sweetwaters/Mpumuza/Phayiphini Infills (CNL): 130 x House Service Connections completed	2 000 000,00		2 000 000,00		2 000 000,00

The Electricity Supply Services received a generous allocation of capital funding; this was a great deal assisted by the loan Msunduzi took from Development Bank of South Africa [DBSA]. The performance in spending the full budget could have been 100% had it not been the delay by DBSA to disburse the money to the Municipality. The money was planned to be released to the Municipality by no later than 1st July 2024. Unfortunately, DBSA released the funds as late as February 2025. This resulted in the Electricity Supply Services losing at least 8 months of the year. Fortunately, all the preparatory work had already been done to start the projects immediately the funds were made available.

It could be said that the Planning and Asset Creation Unit is the only unit within the Electricity Supply Services Business unit that is optimally capacitated to fulfil its mandate. The performance of this subunit speaks for itself in this. As a result, its staff is used all over the organization to fill the staffing gaps which hampers service delivery.

A flagship project worth mentioning is the refurbishment of Eastwood Primary Substation. This substation is now completed and floating waiting for Eskom to finalize their network assessment before it can be energized. The energization of Eastwood Substation will assist in de-loading the Northdale Primary Substation and Riverside Primary Substation. This will ensure adequate supply to the Willowton, Manning Avenue and Chesterfield industrial areas. It will further assist in increasing operability of the network in particular during the times where there are system faults.

The good work that has been shown during the 2024/25 financial year will be carried through to the 2025/26 financial year. Most projects will be concluded in 2025/26 financial year.

REVENUE MANAGEMENT

Msunduzi Municipality is currently facing significant electricity losses, primarily of a non-technical nature, including illegal connections, faulty meters, unmetered customers, and tampered meters. Notably, during the 2024/2025 financial year, the losses escalated from 18% in 2023/2024 to 23.32% in 2024/2025 financial year. In response, a targeted strategy has been developed and is being actively implemented to address these issues and bring the losses in line with acceptable standards and industry norms.

Due to widespread illegal connections, meter tampering, faulty meters, and other issues, electricity losses in Msunduzi have surged to unacceptable levels—costing the municipality millions of rands each month and severely undermining its revenue base. This erodes the sustainability of electricity supply and threatens service delivery. In response, the Electricity Services Business Unit introduced mandatory consumer account verification before addressing reported faults or callouts, prompting many customers to come forward to explain non-payment or tampering cases. Those confirmed to have tampered with meters are served with formal tamper notices and face penalties, while honest consumers see their prepaid electricity purchases increase.

ELECTRICITY LOSSES	
Month	Losses (%)
Jul-2024	14.89
Aug-2024	27.45
Sep-2024	25.35

ELECTRICITY LOSSES	
Month	**Losses (%)**
Oct-2024	20.61
Nov-2024	30.06
Dec-2024	20.56
Jan-2025	25.38
Feb-2025	16.15
Mar-2025	26.94
Apr-2025	20.67
May-2025	25.51
Jun-2025	26.23
Average Losses	**23.31**

The persistent challenges of theft and vandalism of electricity infrastructure have led to significant revenue losses and frequent power outages. Ongoing regular reports are being submitted to law enforcement agencies to address these issues. Extensive collaboration with law enforcement agencies like the National Prosecuting Authority, the South African Police Service (SAPS), Internal Audit, and Municipal Security has led to the arrest of several offenders. Additionally, multiple cases have been opened with SAPS for electricity theft and vandalism under the Criminal Procedure Amendment Act, 2015, to ensure legal accountability and deter further criminal activity.

The medium-term strategy to deal with electricity losses has been anchored on 80/20 Pareto rule which says that 20 percent of customer base bring in 80 percent of revenue which therefore further indicates that 80 percent of customer base brings in 20 percent of revenue. This translates to a strategic intention which says that if you put 20% effort you can gain 80% benefit if you properly analyse your customer base.

In applying this, the Electricity Supply Services business unit identified the 20% customer base bringing in 80% of revenue, these are Large Power Users, Small Power Users and High-End Domestic customers. These customers a less than 20 000 in total from the total 88 000 customer base. Projects were initiated to conduct installation audits to these customer categories.

WORK DONE ON TWENTY PERCENT CUSTOMERS BRINGING IN EITHY PERCENT REVENUE

Large Power Users – Work Done 2023/24 to 2024/25

Due to internal capacity issues and lack of finances, the Large Power User Customer base was audited during the 2023/24 and 2024/25 financial years, completing it on 30 June 2025. The impact of this was greatly visible in the drop of electricity losses from 24% in 2022/23 to 18,78% in 2023/24 financial year. Unfortunately, the second phase was started late in 2024/25 and the electricity losses retracted to 23.32%.

The Electricity Supply Services business unit audited 200 Large Power User Installations in 2023/24 financial year and 615 Large Power User Installations in 2024/25 financial year completing the full customer segment audit. At the beginning of the audit there were 815 Large Power User Installations but by the end of the audit the number dropped to 798 installations since 17 of the 815 installations were downgraded to Small Power User category. Of the total 815 installations conducted over the two financial years, 396 meters were found recording consumption accurately, 173 were fixed on-site and returned to proper operation and billing as normal. 246 were found to be needing further attention by Electricity Supply Services. 110 installations have restored and returned to billing, while efforts continue to resolve the remaining 121 installations. In addition, 12 installations were confirmed to have been tampered with, with criminal charges filed in six cases.

The key critical function that is now necessary to maintain the newly established high levels of billed kWhs is to constantly monitor the monthly consumption of each account. This is done by the budget and finance business unit within revenue subunit.

Small Power Users and High-End Domestic Users – Work Programmed for 2025/26

The next phase that is to be done during the 2025/26 financial year is the installation audits of all the small power users and the high-end domestic customers. It is believed that this will secure 80% of the electricity service revenue and assist in reducing the electricity losses. The last phase will be the 80% of the customer base that bring in 20% of the revenue.

The major challenge is the internal capacity constraints that makes it very difficult to embark on such projects and programs. The first phase was made it possible by the use of external service provider which is not at all ideal.

RANDOM AUDITS CONDUCTED AMONGST ALL CUSTOMER CATEGORIES

In the 2024/25 financial year, Electricity Supply Services planned to randomly audit 16,000 domestic and SPU metering installations. This work is necessary to show visibility in all areas and limit the spread of tampering scourge. From 1 July 2024 to 30 June 2025, 11,107 metering installations were audited, 5,444 were part of the amnesty program and installations supplied by the faulty transformers. A total of 1,625 meters were found to be tampered with, and 1,147 have been disconnected for tampering. The remaining cases are currently undergoing auditing and disconnecting procedures.

REVENUE COLLECTION

T-joint configurations, once a cost-saving measure during an era when electricity losses were minimal now present a major barrier to efficiently disconnecting non-paying customers. These legacy network joints make isolating and disconnecting customers difficult, undermining revenue protection efforts. In a targeted drive during the 2024/25 financial year, the Electricity Supply Services department successfully removed 71 T-joints, enabling them to disconnect accounts linked to non-payment more effectively. The initiative is ongoing as part of a broader effort to modernize the network and improve operational integrity.

The aging infrastructure continues to pose a significant challenge, contributing to frequent and prolonged power outages. Some of the transformers at the primary substations have been in operation for over 40 years. To address this issue, the Development Bank of South Africa (DBSA) has granted the Municipality a loan to fund projects aimed at upgrading and refurbishing critical infrastructure, ensuring the system's long-term reliability and performance.

The Municipality received grants in the 2024/25 financial year for the electrification of households without basic electricity connections, as well as funding for the implementation of Energy Efficiency Demand Side Management (EEDSM) initiatives. These efforts are aligned with the national goal of reducing high electricity demand through the adoption of smart and energy-efficient lighting solutions. Additionally, the Municipality has begun

implementing the Energy Performance Certificate (EPC) program for qualifying municipal buildings, in compliance with the relevant regulations outlined in the Gazette.

Msunduzi submitted its Cost of Supply Study for cost-reflective tariffs to the National Energy Regulator of South Africa, which was approved in June 2025, with an effective implementation date of 1 July 2025.

FORWARD PLANNING
The provision of electricity to households is facilitated through customer-funded connection applications and grant-subsidized electrification projects. Grant-funded electrification initiatives are primarily focused on rural and informal settlement areas, as well as low-cost housing developments.

In the 2024/2025 financial year, the Municipality received grant funding from the Department of Mineral Resources and Energy (DMRE) for the electrification of approved rural, low-cost, and informal settlement areas. As a result, a total of 348 new household connections were completed in the Sweetwaters/Phayiphini and Ezinketheni areas (Wards 1, 2, 40, and 29). Additionally, a further 130 household connections were completed in Sweetwaters/Phayiphini (Wards 1, 2, and 40) through Council Top-Up Funding.

The implementation of the Energy Efficiency Demand Side Management program led to the retrofitting of 1,229 streetlight fittings, replacing outdated technology with energy-efficient Light Emitting Diodes (LEDs), funded through a DMRE grant. This initiative was complemented by the assessment of four key municipal buildings and the display of Energy Performance Certificates, ensuring compliance with Section 20 of the National Energy Act.
The delay in the transfer of the second disbursement of funds, amounting to R234,351,856 from the Development Bank of South Africa (DBSA), impacted the full implementation of projects for the 2024/25 financial year. As a result, the completion of most projects has been deferred to the 2025/26 financial year.

As part of the Network Upgrade Programme, a total of 8690m of Medium Voltage Underground Cables (UGM) and 3000m of Overhead Lines (OHM) were laid as follows:

Sweetwaters = 860m (UGM) & 3000m (OHL), Hilton (Budleigh/ Azalea) = 3280m, Chatterton/ Hyslop to Chase Valley/English = 2700m, Eastwood Primary to Adelaar/King Fisher = 800m and Adelaar/ King Fisher to Beacon Hill = 1050m.

Lastly, a revenue enhancement program aimed at eradicating mid-blocks and T-jointed electricity networks, which had caused difficulties in disconnecting services, led to the installation of 11,580 meters of low-voltage infrastructure in the Oribi/Bisley area.

The Eastwood 132/11kV Primary Substation was refurbished and upgraded and a notification for the Full Commissioning of the Newly Refurbished Substation has been sent and is awaiting Eskom response. This will benefit Willowton Industrial and Surrounding Residential areas

The DBSA and Council Funds assisted in the procurement of 11kV Capital Equipment including the purchasing of Vehicles for Electricians who deal with Revenue Related Activities, i.e. disconnections, audits, etc, as follows: 110 x Pole Mounted Transformers, 54 x Mini-Substations, including 06 Bakkies

OPERATIONS AND MAINTENANCE
High-voltage (HV) and medium-voltage (MV) faults have been increasing. A significant contributing factor to this rise is inclement weather and recent storms. The majority of faults recorded during the 2024/25 financial year have been attributed to cable failures.

In respect of substation infrastructure, thirty (30) substations were upgraded and maintained. This includes a replacement of five (5) High Voltage (33kV) breakers at Riverside Primary Substation. One HV (132kV) breaker was replaced at Masons Primary Substation.

As part of normalizing the network and replacing faulty equipment for the purpose of curbing long duration outages a total of twenty-one (21) Ring Main Units and nineteen (19) mini substations were replaced. In respect of overhead mains, five hundred and thirty seven (537) poles were maintained and upgraded. Seventy-three (73) overhead line circuits were maintained. Nine thousand nine hundred and seventeen (9917) streetlights were maintained. Due to budget constraints, Electricity Supply Services is implementing a phased approach to maintenance

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

COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE (TOTAL EMPLOYMENT, TO INCLUDE STAFF TURNOVER.)

INTRODUCTION TO MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION ON ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Organisational Development (OD) section acts as a change management catalyst for the municipality, overseeing policy review and organizing Roadshows to inform employees about policy updates and new workplace policies. An Induction Program is in place, held within three working days, introducing new staff to different departments and their heads to help them understand the organization and their responsibilities.

The OD Unit's main objective is to ensure employees are fully informed about the municipality's changes. The Msunduzi Municipality is pursuing multiple strategic change management initiatives for organizational development, targeting systematic transformation in line with the City's Vision 2030. These changes are driven by key projects managed by various departments based on their core functions.

The OD Unit coordinates and manages communication for all Change Management initiatives. The Change Management Communication Masterplan encompasses five key projects: Structural Review (2023), Individual Performance Management Development System (IPMDS), Competencies, and Financial Recovery Plan. Several of these initiatives are already in progress, with Roadshows and consultations conducted to support employees through the transitions. These initiatives significantly impact municipal operations, employees, and the community served by the Msunduzi Municipality. Communication about these projects will be shared with stakeholders, including labor representatives and employees, through reports, meeting presentations, Roadshows, notice board posters, and HR newsletters distributed via Corporate Communication.
Additionally, the Municipality will conduct a climate survey to assess the impact—positive or negative—of these projects on employees and their work environment, as well as to measure employee support or resistance to the changes.

The rollout of New Staff Regulations was highly successful, with many related policies approved by the Full Council. Workshops are still ongoing, held to educate employees on these updates and the implications of the new regulations.

POLICIES 24/25 Financial year			
No.	**Name of Policy**	**Completed %**	**Date adopted by Council**
1	Mentoring policy	100%	30 April 2025
2	Secondment policy	100%	30 April 2025
3	Succession planning policy	100%	30 April 2025
4	Standby Policy	100%	30 April 2025
5	Shift and Nightwork Policy	100%	30 April 2025
6	Adult Education and Training Policy	100%	30 April 2025
7	Professional Membership Policy	100%	30 April 2025
8	Recognition of Prior Learning (RPL) Policy	100%	30 April 2025
9	Work Exposure Policy	100%	30 April 2025
10	Study Assistance Policy	100%	30 April 2025
11	External Bursary Policy	100%	30 April 2025
12	Training and Development Policy	100%	30 April 2025

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The Human Resource Management (HRM) policies reviewed during the 2024/2025 financial year were formally approved by the Council on April 30, 2025. As these policies underwent minor revisions and are not newly introduced, they were not presented to staff through workshops. However, the Standby Policy and Nightwork Policy were specifically workshopped with the Management Committee on June 23, 2025.

To facilitate engagement with labour representatives, a comprehensive schedule of workshops has been developed. This schedule outlines specific dates for presenting these policies to labour unions prior to their submission to the relevant committees for approval. These workshops are designed to provide union representatives with an opportunity to review the policy content, offer feedback, and contribute valuable insights to the approval process.

SKILLS DEVELOPMENT POLICIES 24/25 Financial year –

The Skills Development Unit reviewed the various Skills Development Policies in the 2024/2025 Financial Year. The Skills Development has identified a need to consider effecting changes in the policies in compliance to the following;

- Post titles change as per the nomenclature report and a letter issued to change L1 & L2 post titles effective 01 July 2023
- Names of Committees
- Use of the approved Corporate Logo and new stationery templates as per Circular 117 of 2024 with effective from 01 August 2024.

Employment Equity Reviewed Plan and Policy 2023/2024 Financial Year

Section 20 of the Employment Equity Act 55 of 1998 mandates that municipalities establish an Employment Equity Consultation Committee responsible for addressing matters related to the Employment Equity Policy, Employment Equity Plan, and other employment equity issues within the workplace.
In compliance with this requirement, the following Consultation Committees have been established to monitor the Employment Equity Plan, convening on a quarterly basis:

a) Micro Employment Equity Consultation Committee
b) Macro Employment Equity Consultation Committee

Achievements for the 2024/2025 period include:

1. Approval of the reviewed Employment Equity Policy and Plan on 7 November 2024.
2. Confirmation of Employment Equity compliance by the Department of Employment and Labour.
3. Progress in the implementation of Employment Equity initiatives within Msunduzi Municipality, aimed at monitoring and aligning Human Resources policies with the Employment Equity Policy and Plan to ensure consistency, compliance, and the effective achievement of employment equity objectives.
4. Preparation of EEA1 forms to collect employee information, assisting employers in analyzing workforce demographics. These forms are utilized to identify employees who belong to designated groups, as defined by the Employment Equity Act No. 55 of 1998.

No.	Name of Policy	Completed %	Date adopted by Council
1	Adult Education and Training	100%	30 April 2025
2	External Bursary	100%	30 April 2025
3	Internship	100%	23 October 2024
4	Mentoring	100%	30 April 2025
5	Professional Membership	100%	30 April 2025
6	Recognition of Prior Learning	100%	30 April 2025
7	Study Assistance	100%	30 April 2025
8	Training and Development	100%	30 April 2025
9	Work Exposure	100%	30 April 2025

All Skills Development policies and Stand Operating Processes have been amended to include the new nomenclature and the approved Corporate Logo.

EMPLOYEE TOTALS, TURNOVERS & VACANCIES

EMPLOYEES					
Description	2023/2024	2024/2025			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Waste Management	325	448	306	142	32
Landfill Site	21	30	18	12	40
Area Based Management	98	164	103	61	37
Public Safety Enforcement & Emergency Services	437	792	408	384	48
Recreation & Facilities	581	1039	554	485	47
Human Resources	80	134	87	47	35
Information Communication Technology	20	29	23	6	21
Legal Services	14	20	15	5	25
Secretariat & Auxiliary Services	42	59	54	5	8
Electricity	236	731	242	489	67
Water and Sanitation	295	618	269	349	56
Roads, Transportation & Stormwater	224	585	252	333	57
Mechanical Workshops	49	91	49	42	46
Human Settlements	52	70	52	18	26
City Entities	69	88	69	19	22
Development Services	25	34	26	8	24
Town Planning and Environmental Management	130	231	133	98	42
Assets & Lability Management	45	110	50	60	55
Supply Chain Management	63	81	63	18	22
Budget Planning Implementation & Monitoring	19	27	21	6	22
Expenditure Management	30	43	34	9	21
Finance Governance & Performance	18	23	15	8	35
Revenue Management	257	345	257	88	26
Internal Audit	11	22	17	5	23
Office Of The City Manager	56	63	53	10	16
Political Support	81	104	76	28	27
Strategic Planning	13	42	14	28	67
Other	12	15	11	4	27

VACANCY RATE 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) %.
Budget and Treasury Office	679	236	35
City Managers Office	253	89	35
Community Services	2530	1142	45
Corporate Services	248	67	27
Infrastructure Services	2073	1247	60
Sustainable Development & City Enterprises	424	140	33

VACANCY RATE 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) %.
TOTAL	**6207**	**2921**	**47**

TURN-OVER RATE			
Details	Total appointments as of the beginning of financial year No.	Terminations during the financial year No	Turn-over rate*
2022/2023	3291	440	13.4
2023/2024	3217	323	10.0
2024/2025	3211	174	5.4

COMMENT ON VACANCIES AND TURNOVER
The vacancy rate is 47% and it is still high for the organisation to be 100% capacitated and the staff turnover rate dropped from 10% to 5.4% which is positive in enhancing capacity on recruitment with less employee's loss through termination.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INJURIES, SICKNESS AND SUSPENSIONS 2024/2025

NUMBER AND COST OF INJURIES ON DUTY					
Type of Injury	Injury Leave taken Days	Employees using injury leave No.	Employees using sick leave No.	*Average sick leave per employee Days	Total Estimated Cost R
T01-T03	2	1	708	1	1 103.78
T04-T08	48	1	545	19	57 652.43
T09-T13	34	2	590	7	56 385.38
T14-T18			127		
T19-T22			18		
Upper Limits			3		
TOTAL	**84**	**4**	**1 994**	**27**	**115 141.59**

TEMPORARY TOTAL DISABLEMENT	
MONTHS	TOTAL AMOUNT PAID FOR MEDICAL EXPENSES
JULY 2024	R1 231 949.13
AUGUST 2024	R335 979.27
SEPTEMBER 2024	R11 098.30
NOVEMBER 2024	R57 841.36
DECEMBER 2024	R73 365.21
JANUARY 2025	R36 449.79
FEBRUARY 2025	R27 617.13
MARCH 2025	R29 856.94
APRIL 2025	R143 019.95
JUNE 2025	R46 573.01
TOTAL	**R1 993 750.09**

NUMBER OF DAYS AND COST OF SICK LEAVE (EXCL. INJURIES ON DUTY)						
Designations	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	Average sick leave per employees Days	Estimated Cost R
T01-T03	11 923	1 966	708	1 208	10	7 398 114.04
T04-T08	10 223	2 262	545	1 025	10	9 210 763.7
T09-T13	9 641	2 568	590	854	11	15 586 955.5
T14-T18	2 500	535	127	174	14	7 229 917.02
T19-T22	223	53	21	21	11	1 165 554.74
T23-T25	20	3	3	5	4	100 854.47
TOTAL	**34 530**	**7 387**	**1 994**	**3 287**	**11**	**40 692 159.5**

COMMENT ON INJURY AND SICK LEAVE:
A total of 34 employees were injured. There has been an increase of injuries from the last financial year which had a total of 30 employees being injured. Injury on duty statistics is recorded on a monthly basis. The Municipality reported a Disabling Frequency Rate (DIFR) of 0.86 which was an increase from the last financial year of 0.76. These indicators will assist the Business Units to assess their safety standards and implement control measures. Type of control measures that may be implemented, is to ensure employees are using correct Personal Protective Clothing when required, maintenance of plant and equipment and having additional training on various task that is performed by the employees.

The Occupational Safety Unit (OHSU)'s core function is to develop, monitor and implement health and safety systems and procedures within the Municipality. This monitoring and reporting are undertaken to ensure compliance with the Occupational Health and Safety Act 85 of 1993.

To ensure compliance with the Act, an operational plan was developed in accordance with the SDBIP to conduct occupational health and safety workshops. As per the SDBIP a total of 4 workshops per quarter were held in the various Business Units, to ensure that employees understand their roles and responsibilities in relation to the Compensation for Injuries and Diseases Act 130 of 1993 and the Occupational Health and Safety Act 85 of 1993. Awareness and compliance to these acts will assist with the reduction of injuries.

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

NUMBER AND PERIOD OF SUSPENSIONS				
Position	**Nature of Alleged Misconduct**	**Date of suspension**	**Details of Disciplinary Action taken or status of case and reasons why it is not**	**Date Finalized**
Accounts Officer	Fraud & Corruption (Processed unqualified Consumers to benefit and benefited from indigent policy and received kickbacks)	22/09/2022	No progress. Disciplinary Hearing has not commenced. Detailed report, exhibits and annexures lost between the Municipal Manager's Offices.	Considered high risk, cannot be returned to work until the completion of the Disciplinary Hearing.
Payroll Clerk	Fraud & Corruption (Opened bogus accounts and transferred Municipal funds for his own personal benefits)	21/10/2022	Previous Disciplinary Panel disbanded. New Disciplinary Panel appointed on 09/05/2024. Disciplinary Hearing set down date 16/01/2025. Matter proceeded as scheduled on 16/01/2025 and adjourned to the 20 and 21/02/2025. Matter did not proceed as scheduled on 20 and 21/02/2025, adjourned to 07 and 08/04/2025.	Considered high risk, cannot be returned to work until the completion of the Disciplinary Hearing.
General Assistant	Murder (Unknown deceased body found in the Municipal vehicle being driven around by the employee)	16/05/2023	Investigation not Completed. The appointed Investigator reported that investigating murder is outside of her scope, therefore the matter must be referred to SAPS at 30/11/2024.	Put the Municipality into disrepute. Can not be returned to work, until the case is finalized.
General Assistant	Theft (Of Municipal Forklift battery at Mkondeni Market)	07/08/2024	Disciplinary Panel appointed on 09/10/2024. In progress.	N/A
Heavy Plant Operator	Theft (Of Municipal Forklift battery at Mkondeni Market)	07/08/2024	Disciplinary Panel appointed on 09/10/2024. In progress.	N/A
Petrol Attendant	Theft (Of Municipal Fuel at Doull Road Depot Bowser)	22/10/2024	Investigation underway & not completed	N/A
Driver/Supervisor	Theft (Of Municipal Fuel at Doull Road Depot Bowser)	22/10/2024	Investigation underway & not completed	N/A
Petrol Attendant	Theft (Of Municipal Fuel at Doull Road Depot Bowser)	22/10/2024	Investigation underway & not completed	N/A
Chief Traffic Officer	Assault of a fellow Employee	18/03/2025	Allegations of Misconduct is being investigated.	N/A
Senior Superintendent	Sexual Harassment	04/04/2025	Allegations of Misconduct is being investigated.	N/A
Senior Manager (Secretariat and Auxiliary Services)	Sexual Harassment	22/04/2025	Allegations of Misconduct is being investigated.	N/A
Administration Officer	Putting the Municipality into disrepute in that, on Saturday the 10th of May 2025, you issued a communication on social media platforms cancelling an event, without the prior approval or knowledge of the Accounting Officer	06/06/2025	Allegations of Misconduct is being investigated.	N/A

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 Finalized**
Building Inspector	Fraud	Yes	In progress
Admin Officer	Fraud	Yes	In progress
SM: Manager	Approved overtime & stand by payment – not worked. R648 364	Yes	In progress
Senior Clerk	Fraud & Corruption: R7 422 277	Yes	In progress
Manager: water & Sanitation	Approved overtime & stand by payment – not worked. R648 364	Yes	In progress
Project Manager	Approved payment for work not done : R35 000 000	Yes	In progress
Technician	Approved payment for work not done R35 000 000	Yes	In progress
Manager: Building & Maintenance	Approved payment for work not done R35 000 000	Yes	In Progress
Technician	Approved payment for work not done R35 000 000	Yes	In Progress
Horticulturist	Approved payment for work not done R35 000 000	Yes	In Progress
Chief Traffic Officer	Fraud	Yes	Not commenced
Security Superintendent	Fraud	Yes	Not commenced
Security Superintendent	Fraud	Yes	Not commenced

PERFORMANCE REWARDS

The Municipality is currently cascading performance Management in line with the 2021 New Staffing regulations and Municipal IPMS policy. The performance management in the organization is currently not linked to a rewards system.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

SKILLS MATRIX											
Management Level	Gender	Employees in post as at 30 June 2024	Number of skilled employees required and actual as at 30 June 2025								
			Learnerships			Skills programmes and other short courses			Other forms of training		
		No.	Actual 30 June 2023 (2023/2024 FY)	Actual 30 June 2024 (2024/2025 Fy)	Target 2025 (2025/2026 FY)	Actual 30 June 2023 (2023/2024 FY)	Actual 30 June 2024 (2024/2025 Fy)	Target 2025 (2025/2026 FY)	Actual 30 June 2023 (2023/2024 FY)	Actual 30 June 2024 (2024/2025 Fy)	Target 2025 (2025/2026 FY)
MM and S57	Female	2	-	-	-	-	-	-	-	-	-
	Male	3	-	-	-	-	-	-	-	-	-
Councillors, Senior Officials & managers	Female	78	-	-	-	27	3	3	-	-	-
	Male	143	-	-	-	28	2	20	-	-	-
Technicians and associate professionals	Female	118	-	-	5	41	7	19	-	-	5
	Male	156	-	-	5	62	30	8	-	-	5
Professionals	Female	199	11	12	5	62	41	27	-	-	5
	Male	161	4	8	5	55	28	12	-	-	5
Clerks	Female	481	18	18	10	299	94	28	1	-	15
	Male	188	2	2	10	238	84	10	1	-	3
Service and sales workers	Female	147	-	6	-	43	31	29	-	-	10
	Male	387	-	9	-	35	66	39	-	-	30
Plant and machine operators & assemblers	Female	15	-	-	-	4	-	6	-	-	-
	Male	104	-	-	-	6	-	16	-	-	-
Elementary occupations	Female	675	19	20	20	106	47	57	-	-	30
	Male	721	11	10	10	55	82	33	-	-	30
Sub-totals	Female	1 715	48	56	40	582	223	169	1	-	65
	Male	1 863	17	29	30	479	292	138	1	-	73
Totals		**3 578**	**65**	**85**	**70**	**1061**	**515**	**307**	**2**	**-**	**138**

SKILLS DEVELOPMENT EXPENDITURE '000										
Management Level	Gender	Employees as at the beginning of the year	Number of skilled employees required and actual as at 30 June 2025							
			Learnerships		Skills programmes and other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	2	-	-	-	-	-	-	-	-
	Male	2	-	-	-	-	-	-	-	-
legislators, Senior Officials & managers	Female	78	-	-	-	-	-	-	-	-
	Male	143	-	-	-	-	-	-	-	-
Professionals	Female	199	R220 000.00	R220 000.00	-	-	-	-	R220 000.00	R220 000.00
	Male	161	R80 000.00	R80 000.00	-	-	-	-	R80 000.00	R80 000.00
Technicians and associate professionals	Female	118	-	-	R220 000.00	R220 000.00	-	-	R220 000.00	R220 000.00
	Male	156	-	-	R80 000.00	R80 000.00	-	-	R80 000.00	R80 000.00
Clerks	Female	481	R396 000.00	R396 000.00	R1 292 352.75	R1 292 352.75	-	-	R1 688 352.75	R1 688 352.75
	Male	188	R44 000.00	R44 000.00	R941 097.90	R941 097.90	-	-	R989 097.90	R989 097.90
Service and sales workers	Female	147	-	-	-	-	-	-	-	-
	Male	387	-	-	-	-	-	-	-	-
Plant and machine operators & assemblers	Female	15	-	-	R24 394.80	R24 394.80	-	-	R24 394.80	R24 394.80
	Male	104	-	-	R36 592.20	R36 592.20	-	-	R36 592.20	R36 592.20
Elementary occupations	Female	675	R418 000.00	R418 000.00	R982 725.31	R982 725.31	-	-	R1 400 725.31	R1 400 725.31
	Male	721	R242 000.00	R242 000.00	R1 151 183.00	R1 151 183.00	-	-	R1 393 183.00	R1 393 183.00
Sub-totals	Female	1715	R1 034 000.00	R1 034 000.00	R2 519 472.86	R2 519 472.86	-	-	R3 553 472,86	R3 553 472,86
	Male	1863	R366 000.00	R366 000.00	R2 208 873.10	R2 208 873.10	-	-	R2 578 873.10	R2 578 873.10
Totals		**3578**	**R1 400 000.00**	**R1 400 000.00**	**R4 728 345.96**	**R4 728 345.96**	**-**	**-**	**R6 132 345.96**	**R6 132 345.96**
***% AND *R VALUE OF MUNICIPAL SALARIES (ORIGINAL BUDGET) ALLOCATED FOR WORKPLACE SKILLS PLAN**										

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:
The Skills Development Unit has submitted the 2024/2025 Workplace Skills Plan (WSP) and the 2023/2024 Annual Training Report to the LGSETA on the 23 April 2024. During the 2024 2025 Financial year the Skills Development Unit facilitated the implementation of the 2024/2025 WSP and trained 600 Employees based on the training needs received from the various Business Units.

The Skills Development Unit has received Mandatory and Discretionary funding to the value of R2 825 478,49. This funding has assisted the Skills Development Unit to implement various Learnerships , Skills programmes and Artisan Recognition of Prior Learning (ARPL) programmes.

Over the past few years, the training budget budgeted by the Units have decreased which impacts on the implementation of training. Business Units are failing to undertake training needs identification and failing to budget accordingly for staff development , which is impacting on the implementation of training within their various Business Units.

During the 2024 2025 Financial Year, The LGSETA approved discretionary funding for 20 employees to attend the MFMP Training. In total, the Msunduzi Municipality has trained 143 employees in the MFMA Competency Regulations since the implementation of the National Treasury Regulations. The funding for the training has been from the Msunduzi Municipality, LGSETA Discretionary grant funding and the National Treasury Municipal Finance Management Grant.

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 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 the prescribed competency levels (Regulation 14(4)(e))
Financial Officials	445	1	446	-	-	-
Accounting Officer	1	1	2	1	1	1
Chief Financial Officer	1	-	1	1	1	1
Senior Managers	6	-	6	6	6	6
Any other financial officials	-	-	-	-	-	-
Supply Chain Management Officials	36	-	36	-	-	-
Heads of supply chain management units	1	-	1	1	1	1
Supply chain management senior managers	3	-	3	3	3	3
TOTAL	**493**	**2**	**495**	**12**	**12**	**12**
This is a statuary report under the national treasury: LG MFMA Regulations						

NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED 2024/2025		
Beneficiaries	Gender	Total
Nil		

COMPONENT D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

EMPLOYEES WHOSE SALARY LEVEL EXCEEDS THE GRADE DETERMINED BY JOB EVALUATION 2024/2025				
Occupation	No of Employee/s	Job Evaluation Level	Remuneration Level	Reason for Deviation
Accounts Officer	1	T11	T13	Perceived grading placement to graded posts
Administration Officer	1	T10	T12	Perceived grading placement to graded posts
Administration Officer	1	T10	T11	Perceived grading placement to graded posts
Administrator	4	T09	T13	Perceived grading placement to graded posts
Advisor	2	T14	T17	Perceived grading placement to graded posts
Archives, Registry & Information Manage	1	T13	T17	Perceived grading placement to graded posts
Area Manager	2	T15	T17	Perceived grading placement to graded posts
Artisan	20	T10	T11	Perceived grading placement to graded posts
Benefits Administrator	1	T09	T13	Perceived grading placement to graded posts
Building Inspector	2	T10	T12	Perceived grading placement to graded posts
Building Inspector	2	T10	T13	Perceived grading placement to graded posts
Business Analyst	1	T12	T17	Perceived grading placement to graded posts
Cable Layer	1	T05	T09	Perceived grading placement to graded posts
CAD / GIS Operator	1	T09	T11	Perceived grading placement to graded posts
Call Centre Agent	1	T06	T07	Perceived grading placement to graded posts
Call Centre Agent	1	T06	T09	Perceived grading placement to graded posts
Caretaker	3	T06	T08	Perceived grading placement to graded posts
Caretaker (Halls)	1	T06	T10	Perceived grading placement to graded posts
Cashier	1	T05	T06	Perceived grading placement to graded posts
Cashier	5	T05	T07	Perceived grading placement to graded posts
Chief Administration Officer	1	T13	T16	Perceived grading placement to graded posts
Chief Administration Officer	1	T13	T21	Perceived grading placement to graded posts
Chief Building Inspector	1	T13	T14	Perceived grading placement to graded posts
Chief Co-ordinator (Education & Training	1	T13	T14	Perceived grading placement to graded posts
Cleansing Officer	1	T11	T13	Perceived grading placement to graded posts

EMPLOYEES WHOSE SALARY LEVEL EXCEEDS THE GRADE DETERMINED BY JOB EVALUATION 2024/2025				
Occupation	No of Employee/s	Job Evaluation Level	Remuneration Level	Reason for Deviation
Clerk of Works	1	T11	T13	Perceived grading placement to graded posts
Committee Officer	8	T10	T13	Perceived grading placement to graded posts
Community Development Facilitator	2	T12	T13	Perceived grading placement to graded posts
Conservation Supervisor	1	T07	T09	Perceived grading placement to graded posts
Control Officer	1	T10	T12	Perceived grading placement to graded posts
Co-ordinator	3	T11	T13	Perceived grading placement to graded posts
Crematoria Operators	2	T06	T07	Perceived grading placement to graded posts
Data Capturer	1	T05	T08	Perceived grading placement to graded posts
Desktop Publisher	1	T09	T11	Perceived grading placement to graded posts
Desktop Support Technician	1	T10	T13	Perceived grading placement to graded posts
District Horticulturalist	3	T12	T13	Perceived grading placement to graded posts
Driver	5	T04	T06	Perceived grading placement to graded posts
Driver / Supervisor	3	T07	T09	Perceived grading placement to graded posts
Economist	1	T15	T17	Perceived grading placement to graded posts
Education Officer (Art)	2	T10	T13	Perceived grading placement to graded posts
Education, Development & Training Pract	3	T12	T13	Perceived grading placement to graded posts
Exit Controller	2	T05	T06	Perceived grading placement to graded posts
Facilitator (Ward Strategy)	1	T11	T13	Perceived grading placement to graded posts
Field Hygiene Worker	1	T03	T05	Perceived grading placement to graded posts
Field Hygiene Worker	2	T03	T07	Perceived grading placement to graded posts
Financial Manager	1	T16	T17	Perceived grading placement to graded posts
Fire Fighter	19	T09	T11	Perceived grading placement to graded posts
Foreman	3	T12	T13	Perceived grading placement to graded posts
Foreman (Vulindlela)	1	T12	T14	Perceived grading placement to graded posts
General Assistant	333	T03	T05	Perceived grading placement to graded posts
General Assistant	10	T03	T06	Perceived grading placement to graded posts
General Assistant	7	T03	T07	Perceived grading placement to graded posts
GIS Operator	1	T09	T11	Perceived grading placement to graded posts
Handyman	1	T06	T08	Perceived grading placement to graded posts
Handyman	1	T06	T09	Perceived grading placement to graded posts
Heavy Plant Operator	1	T03	T07	Perceived grading placement to graded posts
High Speed Copier Operator	1	T06	T08	Perceived grading placement to graded posts
HIV / AIDS Counsellor & Trainer	1	T11	T12	Perceived grading placement to graded posts
Human Resources Manager	2	T15	T17	Perceived grading placement to graded posts
Human Resources Officer	1	T10	T12	Perceived grading placement to graded posts
Hydrant Maintenance Inspector	1	T06	T09	Perceived grading placement to graded posts
ICT Projects Administrator	1	T09	T11	Perceived grading placement to graded posts
ICT Support Officer	1	T11	T13	Perceived grading placement to graded posts
Inspector	2	T11	T13	Perceived grading placement to graded posts
Installation Inspector	1	T10	T11	Perceived grading placement to graded posts
Installation Inspector	1	T10	T13	Perceived grading placement to graded posts
Interpreter / Translator	6	T10	T12	Perceived grading placement to graded posts
Landfill Officer	1	T11	T13	Perceived grading placement to graded posts
Liaison Officer	1	T10	T13	Perceived grading placement to graded posts
Librarian	11	T11	T12	Perceived grading placement to graded posts
Library Assistant	29	T06	T07	Perceived grading placement to graded posts
Licensing Inspector	1	T09	T11	Perceived grading placement to graded posts
Manager	3	T14	T17	Perceived grading placement to graded posts
Manager	3	T15	T17	Perceived grading placement to graded posts
Manager	3	T16	T17	Perceived grading placement to graded posts
Parks Supervisor	1	T08	T11	Perceived grading placement to graded posts
Petrol Attendant	2	T03	T05	Perceived grading placement to graded posts
Pool Supervisors	2	T09	T11	Perceived grading placement to graded posts
Principal Administration Officer	1	T12	T13	Perceived grading placement to graded posts
Principal Administration Officer	1	T12	T14	Perceived grading placement to graded posts
Principal Clerk	7	T07	T09	Perceived grading placement to graded posts
Principal Clerk	1	T07	T10	Perceived grading placement to graded posts
Printing Assistant	1	T04	T07	Perceived grading placement to graded posts
Public Works Manager	1	T16	T17	Perceived grading placement to graded posts
Receptionist	2	T05	T07	Perceived grading placement to graded posts
Records Controller	1	T07	T09	Perceived grading placement to graded posts
Revenue Clearance Officer	1	T10	T11	Perceived grading placement to graded posts
Secretary	1	T07	T08	Perceived grading placement to graded posts
Secretary	4	T07	T09	Perceived grading placement to graded posts
Secretary	1	T07	T10	Perceived grading placement to graded posts
Secretary	2	T07	T11	Perceived grading placement to graded posts

EMPLOYEES WHOSE SALARY LEVEL EXCEEDS THE GRADE DETERMINED BY JOB EVALUATION 2024/2025				
Occupation	No of Employee/s	Job Evaluation Level	Remuneration Level	Reason for Deviation
Secretary	4	T07	T13	Perceived grading placement to graded posts
Security Guard	1	T05	T11	Perceived grading placement to graded posts
Security Officers	23	T07	T09	Perceived grading placement to graded posts
Security Officers	28	T07	T11	Perceived grading placement to graded posts
Senior Administration Officer	4	T11	T13	Perceived grading placement to graded posts
Senior Cashier	1	T06	T07	Perceived grading placement to graded posts
Senior Clerk	14	T06	T07	Perceived grading placement to graded posts
Senior Clerk	26	T06	T08	Perceived grading placement to graded posts
Senior Clerk	9	T06	T09	Perceived grading placement to graded posts
Senior Clerk	1	T06	T10	Perceived grading placement to graded posts
Senior Clerk	1	T06	T11	Perceived grading placement to graded posts
Senior Contracts Officer	4	T11	T13	Perceived grading placement to graded posts
Senior Co-ordinator (Batho Pele)	1	T12	T17	Perceived grading placement to graded posts
Senior Engineer	1	T15	T17	Perceived grading placement to graded posts
Senior Groundsman	1	T08	T11	Perceived grading placement to graded posts
Senior Internal Auditor	1	T13	T17	Perceived grading placement to graded posts
Senior Librarian	7	T12	T13	Perceived grading placement to graded posts
Senior Library Assistant	13	T07	T10	Perceived grading placement to graded posts
Senior Manager	1	T16	T19	Perceived grading placement to graded posts
Senior Technical Town Planner	3	T12	T13	Perceived grading placement to graded posts
Senior Technician	1	T12	T13	Perceived grading placement to graded posts
Senior Town Planning Officer	1	T12	T12	Perceived grading placement to graded posts
Serviceman	2	T07	T09	Perceived grading placement to graded posts
Signs Inspector	1	T07	T09	Perceived grading placement to graded posts
Snr Installation Inspector	1	T11	T12	Perceived grading placement to graded posts
Storekeeper	1	T06	T08	Perceived grading placement to graded posts
Survey Technician	1	T11	T13	Perceived grading placement to graded posts
Team Leader	1	T06	T09	Perceived grading placement to graded posts
Technical Officer (Art)	1	T10	T11	Perceived grading placement to graded posts
Technician	11	T11	T13	Perceived grading placement to graded posts
Telephonist	3	T05	T08	Perceived grading placement to graded posts
Town Planning Inspector	1	T11	T13	Perceived grading placement to graded posts
Tractor Driver	8	T05	T06	Perceived grading placement to graded posts
Traffic Officer	1	T09	T10	Perceived grading placement to graded posts
Traffic Officer	24	T09	T11	Perceived grading placement to graded posts
Traffic Warden	2	T05	T07	Perceived grading placement to graded posts
Traffic Warden	1	T05	T11	Perceived grading placement to graded posts
Truck Driver	1	T05	T06	Perceived grading placement to graded posts
Tyre Fitter	1	T04	T06	Perceived grading placement to graded posts
Valuer	2	T12	T13	Perceived grading placement to graded posts
VIP Protector	1	T07	T13	Perceived grading placement to graded posts
Ward Profiler	1	T10	T11	Perceived grading placement to graded posts
Grand Total	**789**			

EMPLOYEES NOT APPOINTED TO ESTABLISHED POSTS			
Business Unit	Post Title	No of Posts	Comments
Budget and Treasury Office	UAP Intern	76	Appointed for training
Budget and Treasury Office	UAP Intern_MFMA	10	Appointed for training
Budget and Treasury Office	UAP_Intern	2	Appointed for training
Budget and Treasury Office	UAP_Messenger	1	Placement
Budget and Treasury Office	UAP_Recon Accountant	5	Fixed term contract
Budget and Treasury Office	UN_Finance Support Manager	1	Placement
City Managers Office	UAP Intern	5	Appointed for training
City Managers Office	UAP_Ward Assistant	2	Fixed term contract
City Managers Office	Ward Assistant	3	Fixed term contract
Community Services	UAP Intern	36	Appointed for training
Community Services	UAP Lifesaver	14	Fixed term contract
Community Services	UAP Pool Cashier	13	Fixed term contract
Community Services	UAP_EPWP Worker	675	Fixed term contract
Community Services	UAP_Librarian Cataloger	6	Fixed term contract
Community Services	UAP_Library Graduate	25	Appointed for training
Community Services	UN_Project Manager	1	Arbitration
Community Services	UN_Senior Library Assistant	1	Placement
Corporate Services	UAP Intern	3	Appointed for training
Corporate Services	UAP Locum Doctor	1	Fixed term contract

EMPLOYEES NOT APPOINTED TO ESTABLISHED POSTS			
Business Unit	**Post Title**	**No of Posts**	**Comments**
Infrastructure Services	Deputy Municipal Manager (Electricity)	1	Appointed (Council Appr)
Infrastructure Services	Deputy Director: Midmar Supply Zones	1	Fixed term contract
Corporate Services	UAP Intern	75	Appointed for training
Corporate Services	UN_Clerk 1	2	placement
Sustainable Development & City Enterprises	UAP Intern	20	Appointed for training
Grand Total	**Grand Total**	**979**	

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE

Position of DMM: Electricity was approved by Municipal Council in 2021 and included on 2023 draft Organogram, some posts are as result of placement where there was no match found, and employees were placed on pool. Other instances are fixed term contract appointments to locum and to increase capacity of the Municipality.

The 2023 organisational structure will correct all the placement anomalies.

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: BUDGET PLANNING AND IMPLEMENTATION

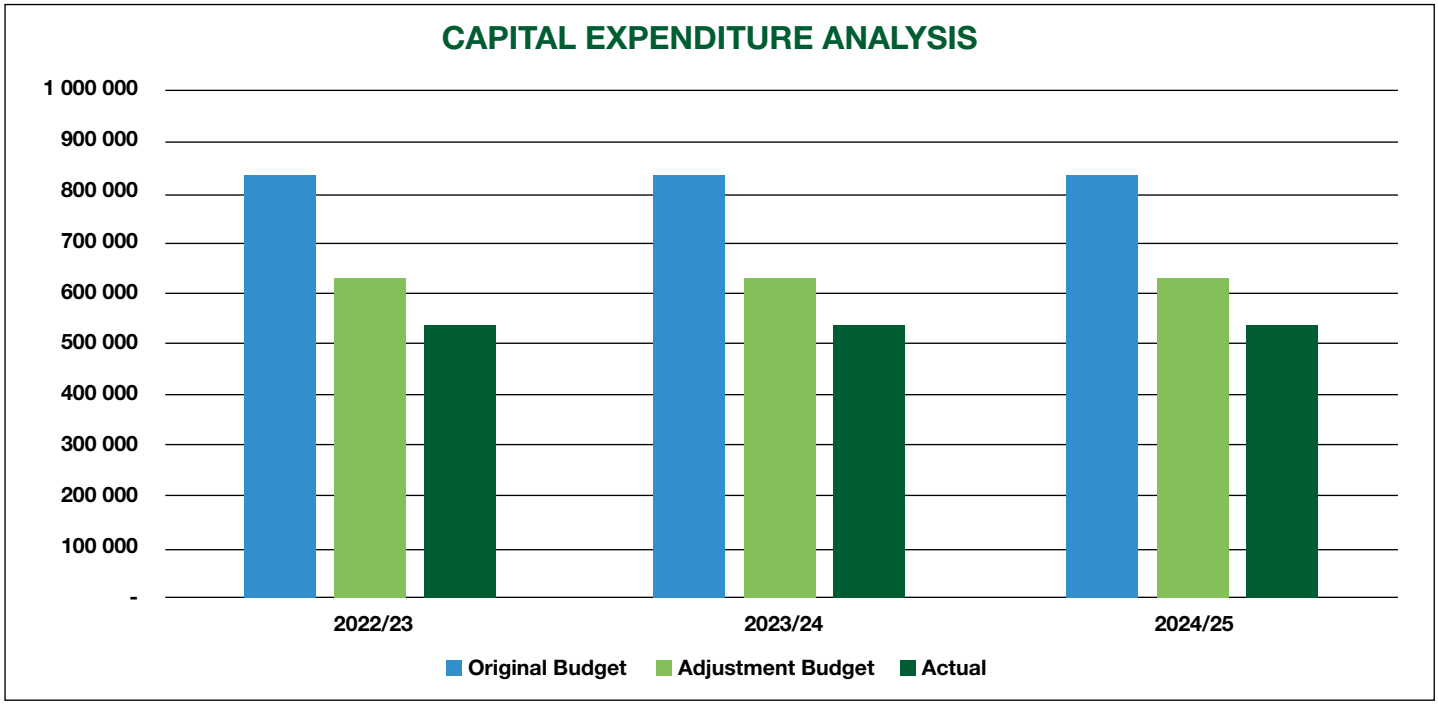
FINANCIAL OVERVIEW

The adopted 2024/25 medium-term revenue expenditure framework cash collections for property rates and services charges were projected at 90% and 84% respectively. However, actual average collection rate realized after the end of budget is 79%. Though adopted budget was funded but the challenge of not achieving the projected rate has a direct impact on the operations of Council particularly service delivery milestones as outlined on service delivery budget implementation plan (SDBIP). The deficit realised in terms of the actual results bears testimony to cash coverage challenge being experienced. Therefore, it is imperative for Council place more emphasis on revenue collection and enhancement.

FINANCIAL OVERVIEW 2024/2025			
Details	**Original Budget**	**Adjustment Budget**	**Actual**
Income	**R'000**	**R'000**	**R'000**
Grants	946 343	1 019 119	980 313
Taxes, Levies and Tariffs	7 333 053	7 259 587	4 968 678
Other	684 507	784 507	750 905
Subtotal	8 963 903	9 063 212	6 699 896
Less Expenditure	8 380 270	9 038 366	8 916 558
Net Total*	**583 633**	**24 846**	**(2 216 662)**
* Note: Surplus/ (deficit)			

COMPONENT B: SPENDING AGAINST THE CAPITAL BUDGET

TOTAL CAPITAL EXPENDITURE 2022/23– 2024/25			
Detail	**2022/23**	**2023/24**	**2024/25**
Original Budget	835 918	768 760	824 011
Adjustment Budget	633 649	802 544	923 289
Actual	543 334	729 708	788 198
			T1.4.4



COMMENT ON CAPITAL EXPENDITURE:

The adopted capital budget is largely funded through Grants, Borrowings and Council funds which is 53%, 9% and 38% respectively. Actual capital expenditure for 2024/25 is 85% which is a slight regress when compared to 2023/24 expenditure which was at 91%. It is imperative for the municipality to spend 100% of the allocated capital budget in order to fast track service delivery imperative as outlined on the Integrated Development Plan.

COMPONENT C: OTHER FINANCIAL MATTERS

REVENUE MANAGEMENT

DEBT MANAGEMENT

The debtor's section is responsible for the implementation of the credit control policy and ensuring that all monies due to the municipality are collected in accordance with the policy. The municipality has a challenge in terms of debtors that are not paying their accounts on a regular basis, and this has resulted in the debtor's book increasing to R7,26 billion with 70% of debtors in arrears of more than 365 days. The municipality has implemented various strategies to recover the arrear debt; the revenue enhancement plan was implemented during the year with monitoring and regular reporting to Council structures. The following debt collection strategies were implemented:

- Daily electricity disconnections
- Daily water restrictions
- Consolidation of accounts
- Transfer of accounts to surviving spouses for deceased
- Issue of letter of final demands, default judgements, summons and warrants for sale in execution
- Review of credit control policy for the arrangements to be affordable to the customers
- Meter audits
- Improved turnaround time for meter changes
- Monitoring of disconnected properties
- Extensive verification and reconciliation of Government accounts
- Stop landfill services for customers with arrears

The following challenges have been experienced, and the municipality has developing strategies to eliminate these challenges:

- Rampant tampering
- Illegal establishments
- Access to properties
- By Law enforcement
- Vacant/abandoned buildings in the City
- Customers have easy access to the water and electricity infrastructure
- Access to the meter boxes and substations that are inside houses, back yards, T-jointed, Looped services and midblock
- Unable to disconnect individuals in shared meter rooms e.g. flats (since the cables are alive and supplying electricity to other flats, the occupier of the flat being disconnected still has access to power and can reconnect themselves)
- High number of old meters that need to be changed as their technology cannot be integrated to the new technologies and require immediate change.
- Support from other stakeholders (SAPS, Political Parties, Government Departments)
- Resources (tools of trade and human resources)

The following proposed solutions are being investigated by the municipality for implementation:

- Automation of debtors related functions
- Meters and electricity network that inside properties etc. to be moved to the road frontage boundaries in order to be easily accessed by the municipal staff for ease of meter reading, maintenance, disconnecting, reconnecting.
- Places that have shared meter rooms (e.g. flats, complexes, mini-factories, office blocks etc) must be meters by one bulk electricity meter but the municipality should monitor that all individuals are charged the same tariffs that the municipality has and approved
- Customers found to have tampered with electricity must be disconnected immediately and charged a tamper fee and energy consumed be backed charged as indicated in the credit control policy (actual time from tamper or 3 years, depending on which comes first)
- Funding to relocate services to the road frontage boundary to be made available as this will improve revenue when municipality has full access to its property
- Community must be engaged by all stakeholders involved (political, municipal, provincial and national offices) in order to teach them that paying bills or paying for municipal services helps to get better services (quality electricity, quality water, roads without potholes etc.).
- Funding to be provided to move to new technologies of remote meter reading, disconnections, remote fault detection etc.
- Constant communication within all municipal departments to understand each other and needs
- With the demand of work to be done (meter changes, disconnections, auditing etc.), more electricians and tools of trade are required. Currently resources are shared among sections
- SAPS and other stakeholders must come together to assist municipality to bring those people breaking the municipal by-laws to book
- Government departments to reduce renting from private property owners that stealing from the municipality.
- Meter Audit – Council Wide
- Implementation of smart meters.
- Council wide data cleansing.

CUSTOMER CARE

Customer Care Section is responsible for attending to face-to-face/ telephonic and emailed customer queries and aiding customers to ensure they find the right service. The customer care purpose is to ensure that all customer questions/queries received from customers are answered and resolved while ensuring a high standard of customer satisfaction.

Customer Services provides a "one stop shop" for customers requiring new electricity services, upgrades/downgrades to supply, tariff changes, conversion of conventional metering to prepaid and vice versa, subsidized (low-cost housing) connections, temporary disconnection/isolation of supply, reconnections and meter tests. In addition to these processes, the section also handles the prepaid vending processes, including customer support and advisory functions.

Our aim is to resolve all non-technical queries within three working days while technical queries within 10 days are as per our Customer Care Charter, and we have improved in the turnaround time compared to previous years.

A total of 97% queries were resolved as of the end of 2024/2025 financial year. A similar percentage was achieved in the 2023/2024 financial year.

Description	Jun-24	Jun-25
Total number of Queries	1938	3812
Resolved Queries	1873	3742
Queries in progress	65	70
Total % of resolved queries	**97%**	**98%**

Challenges are customers escalate the queries to higher management while customer care is working on the query with assistance from other departments. Water technical queries take up to three months to be resolved due to meter change and monitoring of the new meter for three months before any adjustments can be recommended.

Description	Jun-24	Jun-25
Total number of invoices/statements emailed to consumers	69 344	72 138

Customer care has also improved in the number consumer email addresses used to send invoices/statements every month. In June 2024 only 69 344 customer email addresses were recorded and sent invoices/statements while in June 2025 72 138 emails were sent at month end.

Our plan is to send all customer invoices via email to customers that have email addresses to ensure they are delivered on time and this will also ensure customers have easy access to the invoices anytime they need to make a payment.

UTILITY SERVICES

Utilities Section

The Utilities Section's primary mandate is to ensure that water and electricity meters are read with regularity and accuracy, so that the correct consumption information is recorded in the billing system. This reduces reliance on estimated readings, and ensures that when estimates are necessary, they are carried out in a strict manner in accordance with the municipality's Credit Control Policy.

In fulfilling its role, the Utilities Section safeguards revenue integrity by ensuring that all customer services are billed based on accurate and complete data. This prevents both loss of revenue and the risk of overstated revenue resulting from incorrect billing.

The section is comprised of five sub-sections:

- Meter Reading / Bulk
- Validation
- Document Processing
- Refund Section
- Housing Section

Key Achievements – 2024/2025

- Improved meter reading accuracy: The section achieved meter reading rates of 80% to 87%, reflecting consistent performance and a notable improvement over previous year.
- Establishment of a task team: A dedicated team was formed to address all estimated accounts. This initiative ensured that correct bills were issued to customers, thereby minimizing disputes and improving customer satisfaction.
- Reduction in customer queries: A measurable decrease in queries relating to inaccurate bills was recorded, indicating growing customer trust in billing accuracy.
- Positive audit results: The 2024/2025 audit reported no findings relating to inaccuracies on individual customer accounts, demonstrating strong internal controls and compliance with policy.

Conclusion

During the 2024/2025 financial year, the Utilities Section successfully met its planned targets for improving accuracy, reducing estimates, enhancing customer trust, and maintaining high compliance standards. The improvements in operational efficiency and the absence of material findings reflect the commitment of the team to service excellence and revenue protection

RATES AND AUXILIARY SERVICES

The Rates department is responsible for the raising of property rates on all rateable property as per the Municipal Property Rates Act and ensuring that this is aligned with the Municipality's valuation roll. Monthly reconciliations are conducted between the valuation roll and the billing files to ensure that all discrepancies are realised and corrected. The rates policy, which is aligned to the MPRA is reviewed annually and submitted for approval to Council. Rates bandages are reviewed annually and in line with the National Treasury guidelines and prevailing legislation. All reconciliations are submitted monthly, and all audit queries are addressed timeously

The rates department is also responsible for the issuing of rates clearance certificates in line with section 118 of the Municipal Systems Act 32 of 2000. Rates applications are received and processed electronically. Rates clearances are generated electronically, which eliminates the possibilities of fraudulent certificates being issued.

In terms of support to the communities living in poverty, the department offers additional rates rebates, of 40% of the annual rates, to all qualifying pensioners owning property and meeting the required conditions as per the rates policy. This is awarded on application and on an annual basis.

Rebates are also provided, on application, to Child headed households and grantees.

The municipality has been issuing electronic rates clearance certificates from 01 September 2019. The e4 system had significantly contributed towards revenue collection by reducing the number of days it takes to issue a rates clearance certificate. The system has proven to be very effective regarding document tracking and retrieval, audit trails and electronic storage of application and related documents. The system is free to Council

RATES CLEARANCE CERTIFICATES

- **4063** rates applications were received for the 2024/2025 financial year.
- **2996 (74%)** rates assessments were generated. Each assessment has a 30-day validity period of the **2996** assessments issued, **86%** were paid.
- **2685** rates clearance certificates were issued: **2569 (96%)** for conventional transfers and **116 (4%)** for low-cost housing

2024/25					
	APPLICATIONS RECEIVED	ASSESSMENTS ISSUED	RCC'S	LOW COST HOUSING	TOTAL RCC'S
Total	4 063	2 996	2 569	116	2 685

TURNAROUND TIMES FOR RATES CLEARANCE CERTIFICATES

Financial year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Assessment	31	31	25	14	12	14	13
Conveyancer to pay					8	10	9
RCC	48	47	41	31	7	7	7
Total Days	**79**	**78**	**66**	**45**	**27**	**31**	**29**

The average turnaround times have significantly improved since the rates clearance process has been made electronic:

For the 2024 / 2025 financial year:
- 14 days was average turnaround time from acknowledgement of the application to the assessment being issued.
- 9 days was the average turnaround time for the conveyancer to make the payment, and
- 7 days was the average turnaround time from the date of the payment being made to the rates clearance certificate being signed and issued.
- 29 days was the annual average turnaround time from acknowledgement of the application to the issuing of the RCC, compared to 2018/2019, which was 79 days, 2019/2020, which was 78 days, and 2020/2021, which was 66 days, and 2021/2022, which was 45 days.

We have seen a marked reduction in the turnaround times year on year from 2018/2019 to date, which has dramatically reduced conveyancer complaints and has strengthened relationships with the conveyancers, PMCB and various other stakeholders.

There's been a slight increase in turnaround times between 2023/2024 and 2024/2025. The department is continually striving to further reduce this turnaround time however, the main challenge being experienced is due to having to audit meters where there is suspect tampering. This process is lengthy and is compounded by staff capacity challenges at the technical departments

Regular workshops are held with the various stakeholders, estate agents, conveyancers etc. in the rates clearance process to appraise them on the rates clearance process and any changes thereto.

REVENUE COLLECTED FOR RATES CLEARANCES 2024/2025

REVENUE COLLECTED ON RATES CLEARANCES 2024/25					
	APPLICATIONS		ASSESSMENTS PAID		TOTAL MONTHLY
Total	4063	R2 219 210.60	2493	R182 675 482.93	R184 693.53

Revenue collected for rates clearances for the 24/25 financial year:
R184 894 693.53 made up of: R2 219 210.60 for application fees and R182 675 482.93 for payment of rates assessments.

NAME CHANGES

RCC's have a 60-day validity period, therefore an RCC issued in one month will not necessarily be registered in the same month. Monthly deeds dumps are received for the properties registered in the previous month

2024/25			
	RCC'S ISSUED	TOTAL PROPERTIES REGISTERED	NAME CHANGES COMPLETED
Total	2685	2097	3303

During the 2024/2025 financial year 3303 name changes have been updated on SAP. The rates department has met its targets for the 2024/2025 financial year and is consistently striving to exceed the said targets

COMPLIANCE DATA ANALYSIS & REPORTING
Reviews the Tariff Policy annually and ensures that all revenue-generating departments adhere to policy imperatives during the process of the review of tariffs and charges. Responsible for ensuring that the tariffs are approved in accordance with the relevant legislation. Ensures that the tariffs are applied correctly on the SAP ISU Module by analysing and evaluating the billed tariffs to be approved tariffs.

Manages the process relating to reconciling the Subsidiary Ledger, General Ledger and Trial Balance and reporting any anomalies to the relevant managers for corrective action by investigating and providing detailed explanations on discrepancies with the reconciliation. Supports the Financial Services Section with the preparation of the Annual Financial Statements and supplies the relevant reconciliations and documentation as required. Supports all audit processes including providing information and documentation relevant to queries raised by the Auditor General.

The key deliverables relate to ensuring that the monthly review of the tariffs is finalised to ensure the correctness of billing. The tariff process is aligned to the Draft Budget and Final Budget approval processes. The approved tariff then follows the legislative requirements of Section 75A of the Systems Act.

The draft budget process began in January 2024 for the approval of the 2024/25 tariffs. The 2024/25 tariff setting that was done during 2023/24 noting that the process was finalised before the end of the financial year. Each department was advised on the guidelines received from the Budget Office and requested to provide their tariff increase submissions. Each Business Unit undertook a cost reflective tariff review process; implementation thereof will follow in the next year's budget. The Draft Register of Tariffs and Charges was finalized in line with Council's approval.

The Public Participation process took place as per the following timelines:

DATE	TIME	STAKEHOLDERS
19 February 2024	10h00	Government
20 February 2024	10h00	Business
21 February 2024	17h00	Civil Society

Adverts advising of the consultation meetings were published in the Witness (13/02/2024) and Eyethu paper (15/02/2024). ICT created a Public Consultation e-mail address for the purposes of this process. Verbal queries raised during the consultation meetings were dealt with during the meeting. These meetings were recorded and minutes for each meeting were finalised. Written comments received during the consultation process was collated and submitted to all Senior Managers for their response to formulate an action plan to attend to the concerns raised.

The final percentage increases were captured into the Register of Tariffs and Charges 2024/25 and submitted to the Budget and Treasury Office for inclusion with the Budget Approval within the stipulated timelines. The recommendations relating to the increases contained in the Register of Tariffs and Charges 2024/25 was approved by Full Council on 20 May 2024. The Full Council Resolution and the final document followed the legislative requirements for Section 75A of the Systems Act. The Full Council Resolution and the Approved Register of Tariffs and Charges 2024/25 was displayed at all the relevant Municipal Offices by 01 June 2024 as required. The advert advising of the approved tariffs were published in the Natal Witness on 31 May 2024, whilst the adverts appearing in the Public Eye was published on 21 May 2024.

The Tariff Policy is reviewed annually and submitted for approval to Council and that the tariffs are annually reviewed in line with the National Treasury guidelines and prevailing legislation.

All reconciliations are submitted monthly, and all audit queries are addressed timeously. No challenges have been experienced.

EMPLOYEE: REVENUE MANAGEMENT					
COMPLIANCE DATA ANALYSIS & REPORTING, CUSTOMER CARE, DEBTORS MANAGEMENT, RATES AND AUXILIARY SERVICES & UTILITY SERVICES					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	-	-	-	-	-
T04-T08	233	312	231	81	26
T09–T13	19	27	20	7	26
T14-T18	4	5	5	-	-
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	257	345	257	88	26
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.					

The Msunduzi Municipality's Supply Chain Management unit is a support function, it is mandated in terms of Section 111 of the Municipal finance Management Act

To provide a mechanism to ensure sound, sustainable and accountable supply chain management within Msunduzi Municipality, whilst promoting black economic empowerment, which includes general principles for achieving the following socio-economic objectives:

To stimulate and promote local economic development in a targeted and focused manner

To facilitate creation of employment and business opportunities for the people of Msunduzi Municipality with particular reference to specific goals.

To promote the competitiveness of local businesses, to increase the small business sector access, in general, to procurement business opportunities created by Council

To strive to ensure that the objectives for uniformity in supply chain management systems are maintained.

SUPPLY CHAIN FOCUS AREAS FOR THE 24/25 FY

Demand and Acquisition unit

Demand and acquisition function objectives is to:

(a) provide for an effective system of demand management to ensure that the resources required to support the strategic and operational commitments of the municipality are delivered at the correct time, at the right price and at the right location, and that the quantity and quality satisfy the needs of the municipality.

(b) Provide for an effective system of acquisition management to ensure -

- that goods and services are procured by the municipality or in accordance with authorized processes only.
- that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the MFMA Act.
- that the threshold values for the different procurement processes are complied with.
- that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation, and that any Treasury guidelines.

Target 24/25 financial year

- The was meeting the tender turnaround time frame of ninety 90 days from the tender closing, this was SCM focus area, there is a challenge in terms of bid committee sitting and submitting of evaluation report in time even though there have been improvements. This is still the focus area, this has an impact in terms of the municipal capital expenditure, so it is one of the important aspects of the municipality that need urgent attention. In the 25/26 FY the focus will be on the strengthening of specifications to close all possible gaps and reduce number of appeals.

Demand and Acquisition Service Statistic

The following procurement processes were concluded in the 24/25 financial:

- The Procurement range between R1 to R30 000(type 1), the municipality created orders to the value of R8 742 469.56
- Procurement ranges between R31 000 to R300 000(type 2): the municipality created orders to the value of R11 622 275.11
- On procurement under contract i.e. over R300,000 (typ3): the Municipality transacted to the value of R 2 963 032 868.73

- On the maintenance of vehicle i.e. strip and quote (emergency): the Municipality transacted to the value of R 28 189 338.43

On procurement where normal processes were not followed i.e. procurement under section 36 of Municipal Supply Chain regulations (type 7): the Municipality transacted to the value of R 2 259 743.43

- The value of the planned procurement for 24/25 Financial Year amounts to three billion three hundred thirteen million five hundred fifty-six thousand three hundred sixty and five tenths (R3,313,556,360.5)
- The value of (R2,037,264,445.00) projects have contracts in place for the fourth quarter of the 24/25 financial year and the value of (R1,276,291,915.5) projects must be advertised.
- In some projects, the expenditure will span over multiple financial periods and there are two hundred and forty-one (241) set to be procured in the fourth quarter of the 24/25 financial year.
- Out of these projects, one hundred and twenty (120) projects have been finalised, i.e., procurement processes have been completed.
- The analysis of the progress of the projects in terms of percentages is as follows: projects that have been finalized (50%), projects still on the pipeline (38%), and projects that have not started (12%).
- The main Challenge experienced in the 24/25 FY was turn around in terms tender period coursed by the overload of advert on certain months putting too much pressure on committees.

Summary Service Statistics

- Type 1: R1 – R30 000 - Orders created: R8 742 469.56
- Type 2: R31 000 – R300 000 - Orders created: R11 622 275.11
- Type 3: Over R300 000 (under contract) - R2 963 032 868.73
- Emergency (Vehicle Maintenance - Strip & Quote): R28 189 338.43
- Type 7: Section 36 deviations - R2 259 743.43

Contract Management

In terms of section 116 (2) of the MFMA the accounting officer of a municipality must –

- Take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced; monitor on a monthly basis the performance of the contractor under the contract or agreement; establish capacity in the administration of the municipality to assist the accounting officer in carrying out the duties and to oversee the day-to-day management of the contractor under the contract or agreement; therefore we have established a Contract management Office(monitoring) within the Supply chain management unit in order to adhere to the above act.
- These are activities of the contract management Monitoring Section:
- All contracts are monitored by having regular sites visits and attending monthly site progress meetings.
- Monitoring expenditure on supplies and services contract.
- Monitoring and rotating contracts with panel of contractors to ensure equal distribution amongst the prospective suppliers.
- Compiling engagement letters to all panellists upon appointments.
- Negotiations and Drafting Service Level agreements (SLA)
- Verifying variation Orders on projects by Project managers and recommending them to the Bid Evaluation committee.

CHALLENGES

There are challenges in Integrating of project management and Contract management.

Logistics management

Stores will endeavour to minimize and reduce stock holdings. This can be achieved by working closely with the Business Units in planning and execution of projects that involved procurement activities as well. Part of logistics management is to establish and implement appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased; regular checking of stock; and monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

- The stock count for the financial year 2024/2025 proceeded smoothly with every member of the team demonstrating their efforts and energy in achieving a well-run physical count of stock.
- The other desirable target for the inventory count is to rectify and address few issues i.e.
- The material number duplication
- Doubled Storage location of material.
- Identify and rectify inventory count documents where material was appearing on more than one counting document.
- To sort and arrange material storage location or bin.
- With the magnitude of inventory levels and volumes of material that are kept at Stores; it became evident that for a proper and successful inventory count to take place, more manpower and time needed is required. The process involved doing counting even on weekends in order to meet the target; it took us approximately 14 days to finish the entire process.
- The counting process flow involved the physical counting of inventory where each bin is counted and where huge variances is noticed after capturing, verification is done.
- The counted stock sheets were then checked and verified by an Accountant before they were handed in for capturing.
- During the process, several issues were identified and addressed before the adjustment took place. These issues involved checking duplicates of materials, inventory that appear on more than one counting sheet, material that also appear on several inventory locations.

The regular cycle count is needed because the outcome of this count will yield positive results going forward, in that, the proper monitoring of inventory and evaluation of inventory will reflect the true value of inventory on hand at any given time.

- Inventory is valued on the Weighted Average costing method per location and is VAT Exclusive.
- All variances have been checked and validated for authenticity as well as reasonableness by the store man and signed off by the Store manager as proof of verification. The following entries were processed into the SAP system:

ASSETS & LIABILITIES MANAGEMENT UNIT

The Assets and Liabilities unit is responsible for Assets, Fleet Management, Insurance Management, Loss Control and Real Estate and Valuations.

ASSETS & LIABILITY MANAGEMENT

EMPLOYEE: ASSETS & LIABILITY MANAGEMENT					
ASSETS, FLEET MANAGEMENT, INSURANCE MANAGEMENT, LOSS CONTROL, REAL ESTATE & VALUATIONS					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	1	1	1	-	-
T04-T08	26	86	31	55	64
T09–T13	13	16	15	1	6
T14-T18	4	6	6	-	-
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	45	110	50	60	55
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.					

ORGANIZATIONAL UNITS WITHIN ASSETS & LIABILITIES MANAGEMENT UNIT

ASSETS
The Assets Management Unit is responsible for the management of the municipality's assets, ensuring that the municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality in accordance with Generally Recognized Accounting Practice.

FLEET MANAGEMENT
Strategic planning: continuous evaluation of fleet management within the Municipality as well as external organisations in order to formulate plans to improve the efficiency, effectiveness and economy of fleet assets available to the Municipality in the short, medium and long term Develop policies and procedures for the economic acquisition, operation, disposal and administration of the fleet.

Acquisition: Recommendation regarding the acquisition of Fleet assets after evaluating the requirements of the Municipality, based on the motivations and feasibility studies prepared by Msunduzi Fleet Management Unit. This includes the replacement of uneconomical fleet assets, the purchase of additional fleet assets and establishing or entering into lease or hiring contracts.

Ensure compliance of vehicles in terms of Road Traffic Act, Road Transport Quality System; Ensuring that the fleet is properly registered and insured at all times; and Withdraw fleet assets from service when they approach the end of their functional life and to transfer / replace and/ or scrap the fleet asset concerned to the best advantage to the fleet user and the Municipality.

INSURANCE MANAGEMENT
Insurance Management Is aimed at ensuring that all assets, Councillors, employees and third parties are insured economically and adequately at all times. In terms of the approved Insurance policy and procedures staff manages litigated and non-litigated claims both internally and externally (third party). Claims are settled either through the internal insurance Fund or external insurance cover depending on the nature and value of the claim as outlined in the insurance policy and external insurance cover procured. Tracking and recording of claims are done through a loss register.

Loss Control: Loss control seeks to reduce the possibility that a loss will occur and reduce the severity of those that do occur. Its aim is to reduce claims, through loss management information (policy and procedure) and services.

***NB:** Loss control at the moment provides admin support to insurance due to the unit not been fully established therefore service objectives are as per insurance management.

REAL ESTATE & VALUATIONS
The Real Estate and Valuations Unit is responsible for the compilation of the valuation roll and supplementary valuations of all registered properties that fall within the boundaries of the Municipality, in line with the Municipal property rates Act. The unit is also responsible for facilitating the valuation of properties for acquisition and disposal purposes. The Real Estate section also administers and manages lease agreements for municipal owned properties. In terms of the Municipal Property Rates Act, The Municipality is required to compile a General Valuation roll at least once in Five years and also maintain the roll through supplementary valuations which must be published at least once a year.

SERVICE STATISTICS FOR ASSETS & LIABILITIES MANAGEMENT UNIT

SERVICE OBJECTIVE	TARGET	MET /NOT MET	CHALLENGES
Valuation of investment property	Yearly	Met	None
Conduct annual asset verification	Yearly	Met	None
Monthly assets reconciliations	Yearly	Met	None
New Plant and Vehicles	Yearly	Met	None
Branding of Council vehicles and plant	Yearly	Met	None
Annual review of policies	Yearly	Met	None
Create, maintain loss (claims)register	Yearly	Met	None
Adequate and cost-effective Insurance Cover	Yearly	Met	None

SERVICE OBJECTIVE	TARGET	MET /NOT MET	CHALLENGES
Process and settle insurance claims timeously	Within 30 days of receiving claims	Not met	Due to dependencies on department for incident reports, legal for legal opinion, SCM for procurement and fleet for vehicle information and the delays on getting the necessary information, the target of 30 days on most claims could not be met.
Compile supplementary valuation roll	Yearly	Met	High vacancy rate. The Valuations department is working with the HR department to fill the vacant positions to ensure that the unit is adequately capacitated to deal with the maintenance of the Valuation roll.

COMMENT ON THE PERFORMANCE OF ASSETS & LIABILITIES MANAGEMENT UNIT OVERALL

The Asset and Liabilities Management unit in the 2024/2025 financial year was able to meet all of the targets in terms of the Operational plan.

COMPONENT D: FINANCE GOVERNANCE AND PERFORMANCE MANAGEMENT

MSUNDUZI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2025

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		4 371 261 084	3 885 392 318
Property rates and fines		1 563 316 713	1 351 613 165
Interest income		32 154 233	44 100 427
Interest received - consumer debtors		35 748 725	20 197 016
Government grants		1 389 284 266	1 263 177 707
		7 391 765 021	6 564 480 633
Payments			
Employee costs		(1 704 076 808)	(1 657 129 920)
Suppliers		(4 804 518 070)	(4 381 732 571)
Finance costs		(25 374 206)	(25 374 206)
		(6 533 969 084)	(6 055 500 559)
Net cash flows from operating activities	60	**847 795 937**	**508 980 074**
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(784 108 867)	(565 622 788)
Proceeds from sale of property, plant and equipment	14	4 543 940	556 000
Purchase of investment property	13	-	(50 396)
Proceeds from sale of investment property	13	8 469 530	-
Purchase of intangible assets	12	(10 665 402)	(5 921 416)
Purchase of heritage assets		-	(63 575)
Transfer to capital replacement reserve		72 011	-
(Increase)/decrease in short term investment		(509 262)	(329 809)
Net cash flows from investing activities		**(788 198 050)**	**(571 431 984)**
Cash flows from financing activities			
Proceeds of other financial liabilities		234 315 856	116 274 950
Repayment of other financial liabilities		(50 311 362)	(74 270 250)
		184 004 494	**42 004 700**
Net increase/(decrease) in cash and cash equivalents		**253 602 381**	**(20 447 210)**
Cash and cash equivalents at the beginning of the year		490 954 799	511 402 009
Cash and cash equivalents at the end of the year	8	**744 557 180**	**490 954 799**

The accrual based annual financial statements figures are adjusted for non cash items, changes in working capital and other considerations in preparing the Cash Flow Statement.

E: FINANCE GOVERNANCE & PERFORMANCE

EMPLOYEE: FINANCE GOVERNANCE & PERFORMANCE					
FINANCE AND CASH MANAGEMENT & FINANCIAL PERFORMANCE					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	-	-	-	-	-
T04-T08	9	13	9	4	31
T09–T13	5	6	3	3	50
T14-T18	3	3	2	1	33
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	18	23	15	8	35
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.					

2024-25 FY Operating Ratios	
Ratio	%
Remuneration as % of Total Operating Expenditure	20%
Repairs and Maintenance as a % of PPE and Investment Property	5.25%
Finance Charges and Depreciation as a % of Operating Expenditure	3.94%

Repairs & Maintenance budget is below the norm of 8% and this may have negative impact to sustainability of existing infrastructure. It is thus recommended that the municipality invests further in the repair and maintenance of current infrastructure as there is a serious risk of the redundancy of ailing infrastructure and the possible impairment of current functional infrastructure. Both of these hold the risk of not only impeding service delivery but also costing the municipality much more in the long run where the replacement of infrastructure is required due to inadequate repair and maintenance.

EXPENDITURE MANAGEMENT

EMPLOYEE: EXPENDITURE MANAGEMENT

EMPLOYEE: EXPENDITURE MANAGEMENT					
CREDITORS, INTERNAL CONTROLS, PAY OFFICE					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	-	-	-	-	-
T04-T08	16	23	18	5	22
T09–T13	10	16	13	3	19
T14-T18	3	3	2	1	33
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	30	43	34	9	21
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.					

INTRODUCTION TO EXPENDITURE MANAGEMENT

Expenditure Management is a sub-unit within Budget and Treasury Business Unit responsible for the management of payments to creditors of the municipality, payments of salaries and allowances to municipal staff and reporting. The service that we provide is a support service to the municipality and there is no direct impact on service delivery.

ORGANIZATIONAL UNITS WITHIN EXPENDITURE MANAGEMENT

- Creditors, responsible for the management and controlling of payments to creditors.
- Internal Controls, responsible for the review and improvement of internal controls within the organisation
- Pay Office, responsible for the management and controlling of payments salaries and allowances.

The targets for creditors section was to pay all service provider within 30 days from date of receipt of invoice or statement as per the MFMA. The target could not be met due to delays caused by internal processes and low cash inflows.

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON MSUNDUZI LOCAL MUNICIPALITY AND ITS MUNICIPAL ENTITY

Report on the audit of the consolidated and separate financial statements

Opinion

1. I have audited the consolidated and separate financial statements of the Msunduzi Local Municipality and its municipal entity (the group) set out on pages 238 to 370, which comprise the consolidated and separate statement of financial position as at 30 June 2025, consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated and separate financial statements including, a summary of significant accounting policies.
2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the group as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 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 consolidated and separate financial statements section of my report.
4. I am independent of the group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code), as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 73 and 74 to the consolidated and separate financial statements, the corresponding figures for 30 June 2024 were restated as a result of an error in the group financial statements at, and for the year ended, 30 June 2025.

Material impairment – consumer debtors

8. As disclosed in note 7 to the consolidated and separate financial statements, the municipality recognised a provision for impairment amounting to R6,18 billion (2023-24: R5,08 billion) on consumer debtors as the recoverability of these amounts was doubtful.

Material impairment – statutory receivables

9. As disclosed in note 6 to the consolidated and separate financial statements, the municipality recognised a provision for impairment amounting to R1,74 billion (2023-24: R1,47 billion) on statutory receivables as the recoverability of these amounts was doubtful.

Material impairment – other debtors

10. As disclosed in note 5 to the consolidated and separate financial statements, the municipality recognised a provision for impairment amounting to R115,97 million (2023-24: R115,25 million) on receivables from exchange transactions as the recoverability of these amounts was doubtful.

Material losses

11. As disclosed in note 68 to the consolidated and separate financial statements, the municipality incurred material electricity losses of R715,04 million (2023-24: R500,96 million) which represents 23% (2023-24: 19%) of total electricity purchased. This was mainly due to illegal connections, infrastructure vandalism, metering inaccuracies, unmetered energy as well as ageing infrastructure that results in increased power dissipation during transmission and distribution on lines, cables and transformers in the system and overloading.
12. As disclosed in note 68 to the consolidated and separate financial statements, the municipality incurred material water losses of R166,78 million (2023-24: R153,87 million) which represents 20% (2023-24: 22%) of total water purchased. This was mainly due to ageing water infrastructure and more frequent burst pipes.

Significant uncertainties

13. As disclosed in note 81 to the consolidated and separate financial statements, various legal claims were lodged against the municipality. The ultimate outcome could not be determined and no provision for any liability that may result was made in the consolidated and separate financial statements.

Delayed capital projects

14. As disclosed in note 14 to the consolidated and separate financial statements, capital projects totalling R124,74 million (2023-24: R101,21 million) are taking a significantly longer period than expected to complete due to various reasons as described in the note.

Going concern

15. As disclosed in note 79 to the consolidated and separate financial statements, the municipality has prepared the consolidated and separate financial statements on a going concern basis, although there are adverse financial ratios. There is a financial recovery plan in place.

Other matters

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

Unaudited supplementary schedules

17. The supplementary information set out on pages 91 to 92 do not form part of the consolidated and separate financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Unaudited disclosure notes

18. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the consolidated and separate financial statements. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the consolidated and separate financial statements

19. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with GRAP and the requirements of the MFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
20. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the group'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 consolidated and separate financial statements

21. My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 it 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 consolidated and separate financial statements.
22. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report. This description, which is located on page 91 to 92 of the annexure to the auditor's report, forms part of my auditor's report.

Report on the audit of the annual performance report

23. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance area presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
24. I selected the following key performance areas presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected the key performance areas that measure the municipality's performance on its primary mandated functions, and that are of significant national, community or public interest.

Key performance area	Page numbers	Purpose
Basic service delivery	34-41	To provide quality water and sanitation, uninterrupted, adequate energy supply and regular waste removal for all neighbourhoods, communities and centres of business. To become a city with sufficient and well-maintained road, rail and other physical infrastructure serving all residents, whether they use public or private transport modes. It has layers of diverse transport networks interconnecting at centres and internal urban hubs.
Cross cutting	47-48	The prime responsibility is to promote comprehensive and sustainable development within the specified areas. The key interventions indicate a multifaceted approach to address various challenges and improve the overall well-being of communities.

25. I evaluated the reported performance information for the selected key performance areas 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 of its mandate and objectives.
26. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable, so that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time-bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance, as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any measures taken to improve performance.
27. I performed the procedures for the purpose of reporting material findings only, and not to express an assurance opinion or conclusion.
28. I did not identify any material findings on the reported performance information for the basic service delivery and cross cutting key performance areas.

Other matters

29. I draw attention to the matters below.

Achievement of planned targets

30. The annual performance report includes information on reported achievements against planned targets and provides explanations for measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

31. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets and measures taken to improve performance are included in the annual performance report on pages 238 to 370.

Targets for key indicators not achieved – Basic service delivery

Targets achieved: 57.89% Budget spent: 88%		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Number of VIP toilets installed	2925	2923
Number of reservoirs constructed	1	0
Number km of sewer pipelines installed	2.33km	2.267km
Percentage of mainline bursts repaired	60%	7%
Percentage of sewer blockages resolved	60%	10.91%
Number of square metres of pedestrian walkways maintained	2000m²	1700m²
Number of community halls constructed	3	0
Number of sport complexes constructed	1	0
Number of swimming pools maintained	1	0
Number of sports grounds maintained	6	2
Percentage of construction of New England Road Landfill Site achieved	100%	99.94%
Number of non-households receiving refuse removal services	5100	4765
No. of wards receiving grass cutting services	30	17
Number of street lights maintained	15000	11153
Number of high mast lights erected	15	0
Number of meters of MV AI cable completed	8420m	3450m

Material misstatements

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

Report on compliance with legislation

33. 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.
34. 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.
35. 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.
36. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

37. Reasonable steps were not taken to ensure that money owed by the municipality was always paid within 30 days, as required by section 65(2)(e) of the MFMA.
38. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R114,06 million (2023-24: R25,52 million), as disclosed in note 67 to the consolidated and separate financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged on late payments.

Consequence management

39. Some of the fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Procurement and contract management

40. Bid specifications for one of the tenders were drafted in a biased manner and did not allow all potential suppliers to offer their goods or services, in contravention of SCM Regulation 27(2)(a).
41. One of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM Regulation 43.
42. Some of the construction contracts were awarded to contractors that did not qualify for the contract in accordance with section 18(1) of the CIDB Act and CIDB Regulations 17 and 25(7A).
43. One of the contracts was extended or modified without the approval of a properly delegated official, in contravention of SCM Regulation 5.
44. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

Other information in the annual report

45. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and the selected key performance areas presented in the annual performance report that have been specifically reported on in this auditor's report.
46. My opinion on the consolidated and separate financial statements, and my reports on the audit of the annual performance report and compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

47. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected key performance areas presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
48. I have nothing to report in this regard.

Internal control deficiencies

49. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
50. 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.
51. There was instability in the position of accounting officer during the year, which may have contributed to the slow response by senior management in their implementation of the audit action plan to address material non-compliance findings. As a result, there was no dedicated monitoring and supervision at senior management level on key parts of the plan relating to compliance with legislation.

Material irregularities

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

Status of previously reported material irregularities

Payment of scarce skills allowance without proper identification of employees eligible for the allowance

53. The accounting officer did not ensure compliance with section 65(2)(a) of the MFMA which states that: "The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payment of funds."
54. The accounting officer has been paying scarce skills allowance to certain employees without any supporting evidence to prove that the employees receiving the allowance were eligible for the allowance. There is still no approved policy specifically addressing who is eligible for the scarce skills allowance and the allowance continued to be paid without re-applications by employees and approval thereof.
55. The municipal council took a resolution to stop scarce skills allowance payments until corrective steps were taken, however, these were reinstated during the 2023-24 financial year without prior approval. Proposed steps taken in terms of facilitating recovery and approval processes of scarce skills allowances have not been undertaken by the accounting officer. Furthermore, the accounting officer did not facilitate the approval of the policy and the related scarce skills allowances.
56. The non-compliance has resulted in a likely material financial loss of R5,99 million in the financial year ended 30 June 2024 and is likely to result in further material financial losses for the Msunduzi Municipality. Based on the information submitted, further losses are expected to be incurred by the municipality as the scarce skills allowances are still being paid. The full extent of the financial losses still needs to be determined by the accounting officer as part of addressing the material irregularity.
57. The accounting officer was notified of the material irregularity on 28 November 2024 and invited to make a written submission on the actions taken, or to be taken, to address the matter.
58. The following are the actions taken and planned to address the material irregularity:
    - A Standard Operating Procedure (SOP) for the adjudication and approval of scarce skills allowances was developed and approved by the Compensation Management Committee. The SOP was subsequently noted by Council on 8 October 2024 and is intended to guide the objective and consistent application of scarce skills allowances going forward.
    - The accounting officer requested the forensic investigation unit on 3 December 2024 to conduct an investigation to identify the person responsible for the reinstatement of the scarce skills allowance.
    - A report was tabled to council on the condonation of the expenditure amounting to R5,99 million as a result of the reinstatement of the payment of the scarce skills allowance during the 2023-24 financial year for the period of 5 months (February 2024-June 2024).
    - The current position remains that scarce skills allowances have not been paid. The only notable development since the previous reporting period is the submission of a class action by affected employees to the South African Local Government Bargaining Council.
    - The forensic investigation into the matter has been finalised and the report was submitted to Council for adoption in July 2025.
    - The approved SOP has not yet been implemented, as it remains under consideration by the Local Labour Forum.
59. I will follow-up on the implementation of the actions being taken during my next audit.

Municipal resources not used economically

60. The accounting officer did not ensure compliance with section 62(1)(a) of the MFMA which states that: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure: that the resources of the municipality are used effectively, efficiently and economically."
61. The contract for the Copesville reservoir was awarded to the contractor on 3 February 2020 at a total contract value of R54,51 million (excl. contingencies and escalations). The project was set to commence on 11 May 2020 and finish on 25 November 2021 (18 months). However, due to delays caused by poor planning and project management, the project period was extended by 22 months. This resulted in additional costs incurred by the municipality while there was no change in the scope of work carried out. Total payments made to the contractor as of September 2023 amounted to R84,35 million and R10,10 million was paid to the consultant. The project was not complete (95%) at this date.
62. The non-compliance has resulted in a material financial loss of R8,42 million. Based on the information submitted, there are indicators that further losses may have been incurred by the Msunduzi Municipality as there are amounts that have been paid exceeding the original award value to the contractor and the project is not yet complete. The full extent of the financial losses still needs to be determined by the accounting officer as part of addressing the material irregularity.
63. The accounting officer was notified of the material irregularity on 31 January 2024 and invited to make a written submission on the actions taken, or to be taken, to address the matter.
64. The following are the actions taken and planned to address the material irregularity:
    - The project management office (PMO) unit is now headed by a formally appointed senior manager from 1 November 2023.
    - The PMO unit is now informing and updating business units of the balances of business plans and the need to submit new business plans timeously to avoid the issue of poor planning and expenditure because of this.
    - The PMO unit has allocated a project manager to each department to oversee expenditure and progress. These PMO project managers engage with their relevant allocated departments on a weekly or bi-weekly basis.
    - The Capital Expenditure Committee meets every Friday to oversee spending on grant-funded and council-funded projects.
    - The PMO provides regular updates to business units on business plan balances and required submissions, improving planning

processes and reducing delays in expenditure.
- A new structure has been approved whereby all grant funded projects will be moved and implemented under the PMO unit. This came into effect from 1 July 2024, and the municipality is finalising the remaining steps to fully implement this structure.
- The matter was referred to the Special Investigating Unit (SIU), which, following consideration by the case assessment committee, recommended that the municipality undertake an internal investigation.
- The municipality is drafting the terms of reference and progressing with the process to appoint a forensic investigation officer.
- The project associated with the material irregularity was completed on 30 September 2024.

65. I will follow-up on the implementation of the actions being taken during my next audit.

Loss of prepaid electricity revenue

66. The accounting officer failed to comply with section 78(1)(a) of the MFMA which states that each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure that the system of financial management and internal control established for the municipality is carried out diligently.
67. Prepaid electricity consumers who are on prepaid meters did not purchase electricity during the year and management did not interrupt or stop this practice because the prescribed internal audit process was not conducted to timeously identify tampered and bypassed meters. The non-compliance has resulted in a likely financial loss for the Msunduzi Municipality.
68. The accounting officer was notified of the material irregularity on 1 February 2023 and invited to make a written submission on the actions taken, or to be taken, to address the matter.
69. The following are the actions taken and planned to address the material irregularity:
    - New vending stations have been opened at the Bombay Civic Centre (Northdale area), as well as in KwaMpumuza and Sweetwaters, improving accessibility for consumers.
    - A total of 798 Large Power User (LPU) metering installations have been audited during the 2024-25 financial year, and 91 Data Concentrator Units (DCUs) have been installed to enhance monitoring of domestic and small-power users.
    - The electricity department has identified the critical vacant positions in the line with the allocated budget and has taken reasonable steps to fill them. Sixty percent of the posts have been filled. Human Resources Unit is working at filling all remaining posts.
    - The procedure to do away with the bypassing of meters during standby operation was developed and implemented in the 2023-24 financial year.
    - Verification of customer accounts and the splitting of medium-voltage (MV) circuits to facilitate isolation and load reduction remain in progress.
    - The municipality has implemented a formal disconnection process in line with applicable bylaws to address tampered or non-compliant meters, and a procedure to eliminate meter bypassing during standby operations has been developed and implemented.
    - Efforts are ongoing to strengthen operational and monitoring capacity, including plans to install statistical meters at all intake primary substations to accurately measure electricity losses, to fully fund and implement the meter audit project, and to deploy an Advanced Metering Infrastructure (AMI) system for remote monitoring of municipal meters.
    - Additional planned measures include reinstating vending systems and filling high-vacancy critical positions, including within the audit section, with interviews scheduled.
    - The investigation into the loss of prepaid electricity revenue has been completed and submitted to Council for adoption in January 2025.
    - The municipality had applied to the National Treasury to participate in the RT29 contract which covers smart metering system for both electricity and water, and is in the process of appointing a suitable supplier in terms of the RT29 contract.
70. I will follow-up on the implementation of the actions being taken during my next audit.

Failure to recover revenue from the sale of timber

71. The municipality failed to collect revenue from a service provider as per the agreement between the service provider and the municipality for the disposal of timber. This resulted in non-compliance with section 64(2) (a) of the MFMA and is likely to result in a material financial loss for the Msunduzi Municipality.
72. The accounting officer was notified of the material irregularity on 3 May 2021 and invited to make a written submission on the actions taken, or to be taken, to address the matter.
73. The accounting officer has undertaken the following actions in an effort to address the material irregularity:
    - A case was registered with South African Police Services (SAPS), PMB CAS282/11/2022.
    - Summons were issued by the High Court (4/04/2023), and they were served to the former service provider by the sheriff. The matter is currently in court.
    - The municipality appointed a new service provider to provide management services for the Msunduzi plantation. The contract is for a period of three (3) years, commencing on the 15 August 2023 until 15 August 2026.
    - Attorneys lodged an application to compel discovery in terms of Rule 35(7) on 5 December 2023, and such application was granted by the court.
    - The defendant was served with a court order on 1 February 2024, compelling them to file their discovery affidavit; however, the defendant failed to file their discovery affidavit.
    - The investigation was still in progress at year end, and the responsible official has not been identified to date.
74. The accounting officer failed to implement all the actions required to address the material irregularity and I concluded that the accounting officer is not taking appropriate action to resolve the material irregularity.
75. I recommend that the accounting officer should take the following further actions to address the material irregularity, which should be implemented by 30 June 2026, with a progress report after three (3) months:
    - The non-compliance should be investigated to determine the root causes and if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.
    - Effective and appropriate steps should be taken to actively monitor and support the litigation process by, at a minimum maintaining engagement with legal representatives and ensuring compliance with court filing requirements.
    - Appropriate action should be taken to address the root causes identified by the investigation that led to non-compliance for the purpose of implementing internal controls to ensure that the municipality has effective revenue collection systems, as required by section 64(2)(a) of the MFMA.
    - Disciplinary proceedings should commence, without undue delay, against all officials who have allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
    - If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the municipal council, the Provincial Treasury and the National Treasury as required by Regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

76. I will follow-up on the implementation of recommendations at the stipulated due date.

Failure to implement credit control and debt collection policy – consumer debtors

77. The municipality failed to comply with section 62(1)(f)(iii) of the MFMA which states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and implements a credit control and debt collection policy referred to in section 96(b) of the Municipal Systems Act 32 of 2000.
78. The municipality failed to take reasonable steps to implement their credit control and debt collection policy as the municipality did not disconnect nor restrict services or make arrangements for the recovery of the debt owed to the municipality by consumer debtors.
79. This has resulted in a significant amount of consumer debtors being included in the debtors' book of the municipality with the amounts due not being recovered. Accordingly, the municipality wrote-off some of the consumer debtors as bad debts as disclosed in note 42 of the 2020-21 annual financial statements. The municipality continues to provide unrestricted services to these consumers.
80. The non-compliance has resulted in a material financial loss for the Msunduzi Municipality in the form of the bad debts written-off. The municipality is likely to incur further losses as services continue to be provided to debtors with long outstanding balances without reasonable steps being taken to implement the credit control and debt collection policy of the municipality.
81. The accounting officer was notified of the material irregularity on 10 November 2022 and invited to make a written submission on the actions taken, or to be taken, to address the matter.
82. The accounting officer has undertaken the following actions in an effort to address the material irregularity:
    - The current panel of debt collectors was adjudicated, and service providers appointed to assist with debt collection in November 2024.
    - Modules relevant to the subject matter have been re-implemented on the accounting system. The tender was awarded, and the priority list was done on 23 February 2024.
    - Additional capacity has been sourced for the debtor's management department and additional capacity has been sourced to perform disconnections/restrictions.
    - The issuance of summons and obtaining default judgments are on-going.
    - Restrictions/disconnections have been implemented for defaulting consumers. Daily electricity disconnections and water restrictions are conducted for debtors with arrears.
    - Sale in execution of properties with arrear debt.
    - Name changes of deceased accounts to living spouse/joint owner.
    - Internal audit has completed the audit of the entire population of all deceased debtor write-offs and the action plan for collection of arrear debt has been developed and is in-progress on an ongoing basis.
    - A service provider has been appointed to conduct an investigation to identify the personnel that is responsible for the material irregularity. The investigation is currently in-progress.
83. The accounting officer failed to implement all the actions required to address the material irregularity and I concluded that the accounting officer is not taking appropriate action to resolve the material irregularity.
84. I recommend that the accounting officer should take the following actions to address the material irregularity, which should be implemented by 30 June 2026, with a progress report after three (3) months:
    - Appropriate action should be taken to conclude the on-going investigation, without undue delay, to identify the official(s) responsible for the failure to implement the credit control and debt collection policy (consumer debtors).
    - Disciplinary proceedings should commence, without undue delay, against all officials who have allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
    - If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the municipal council, the Provincial Treasury and the National Treasury as required by Regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
85. I will follow-up on the implementation of recommendations at the stipulated due date.

Other reports

86. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.
87. The municipality's investigative unit performed investigations relating to allegations of financial misconduct, fraud, corruption, theft, recruitment mismanagement and supply chain management irregularities covering the period 2021 to 2025. Some of these investigations were in progress as at 30 June 2025. The accounting officer is currently assessing the outcomes and recommendations for those cases that have been finalised.
88. The KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs has initiated an investigation into the municipality under section 106 of the Municipal Systems Act 32 of 2000. The investigation remained ongoing as at year-end.

Pietermaritzburg
12 December 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

Auditor-General's responsibility for the audit

Professional judgement and professional scepticism

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

Consolidated and separate financial statements

- In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:
- identify and assess the risks of material misstatement of the consolidated and separate 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 consolidated and separate 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 group 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 consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate 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 the group to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated and separate financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	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) Parent municipality with ME: Sections: 93B(a), 93B(b) Parent municipality with shared control of ME: Section: 93C(a)(iv), 93C(a)(v)
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)

APPENDICES

APPENDIX A: COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Name of councillor	29/07/24	01/08/24	12/09/24	25/09/24	23/10/24	28/11/24	29/11/24	29/01/25	26/02/25	05/03/25	13/03/25	26/03/25	31/03/25	01/04/25	30/04/25	28/05/25
Adams RJ (PA)	P	LG	P	LG	P	P	ABSENT	P	P	P	P	P	ABSENT	ABSENT	P	ABSENT
Ahmed R (DA)	LG	LG	P	P	P	P	P	P	P	LG	LG	P	ABSENT	ABSENT	LG	P
Bhengu M (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Khanyile XR (DA)	P	P	P	P	LG	P	P	P	P	P	P	P	P	P	ABSENT	P
Buthelezi SS (ANC)	P	ABSENT	P	LG	P	P	P	P	P	P	P	P	ABSENT	ABSENT	P	P
Cele TN (EFF)	ABSENT	P	ABSENT	P	P	P	P	P	P	P	ABSENT	P	LG	LG	P	P
Chonco DS (DA)	P	P	P	P	P	P	LG	P	P	LG	P	P	P	P	P	P
Dlamini GN (ANC)	P	P	P	P	P	P	P	P	P	P	LG	P	P	P	LG	P
Dlamini SW (ANC)	P	P	P	P	P	LG	LG	P	P	P	P	P	P	P	P	P
Dlamini TI (ANC)	P	P	LG	P	P	P	P	P	P	P	LG	P	P	LG	P	P
Dlela NE (AIC)	P	P	P	P	P	P	P	P	LG	P	P	P	P	ABSENT	LG	P
Elliott E (DA)	P	ABSENT	P	P	LG	P	P	P	P	P		P	P	P	P	P
Ntuli SR (IFP)	P	P	ABSENT	LG	E	X	P	E	L	L	E	D				
Gcabashe S (ABC)	P	ABSENT	P	LG	P	LG	LG	P	P	LG	LG	P	LG	P	LG	ABSENT
Kemp HD (DA)	P	P	P	LG	P	P	P	P	LG	P	P	LG	P	P	P	LG
Lyne SP (DA)	LG	LG	LG	LG	LG	LG	LG	LG	LG	LG	LG	LG	LG	LG	LG	LG
Madlala HK (ABC)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Madlala SS (ANC)	P	P	LG	LG	P	ABSENT	P	P	P	P	P	P	P	P	P	P
Madonda KE (ANC)	P	P	P	ABSENT	P	P	P	P	P	P	ABSENT	P	P	LG	P	P
Magubane ZH (IFP)	LG	P	P	P	P	ABSENT	P	P	LG	P	LG	P	LG	P	P	P
Majola NE (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Makhaye SC (ANC)	P	P	P	P	P	P	P	ABSENT	P	P	P	P	P	P	P	P
Maphanga PN (IFP)	P	P	P	P	P	P	ABSENT	P	P	P	P	P	LG	P	LG	P
Masoeu NP (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Mbanjwa NM (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	LG	P	P
Mbona BD (EFF)	P	P	P	P	P	P	P	P	LG	P	LG	LG	LG	LG	P	P
Mbutho MS (EFF)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mgaga LR (DA)	P	P	P	P	LG	P	P	P	P	P	P	ABSENT	P	P	P	LG
Middleton GFW (DA)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Mkhize BA (IFP)	P	ABSENT	ABSENT	ABSENT												
Mkhize DS (ANC)	P	P	P	P	P	P	P	P	LG	P	LG	ABSENT	LG	LG	LG	ABSENT
Mkhize MH (ANC)	P	LG	P	P	P	P	P	P	P	P	P	LG	P	ABSENT	P	P
Mkhize MM (ANC)	D	E	C	E	A	S	E	D		D	E	C	E	A	S	E
Mkhize MT (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Mkhize SA (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	ABSENT
Mkhize T (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Mkize BN (EFF)	P	P	P	P	P	P	P	P	P	P	P	LG	P	P	P	P
Mncube NW (EFF)	ABSENT	P	P	P	P	P	ABSENT	P	P	P	LG	P	LG	P	P	P
Mncwabe SN (EFF)	P	P	P	P	P	P	P	P	P	P	P	P	LG	P	P	P
Mncwango GS (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Mpulo ME (EFF)	D	E	C	E	A	S	E	D		D	E	C	E	A	S	E

Name of councillor	29/07/24	01/08/24	12/09/24	25/09/24	23/10/24	28/11/24	29/11/24	29/01/25	26/02/25	05/03/25	13/03/25	26/03/25	31/03/25	01/04/25	30/04/25	28/05/25
Mpulo SP (EFF)	LG	P	P	P	P	P	P	P	P	P	ABSENT	P	ABSENT	P	P	ABSENT
Mshengu MC (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	ABSENT	P	LG
Msimang NP (ANC)	P	P	P	LG	P	P	LG	P	LG	P	P	P	P	P	P	P
Msomi K (ANC)	P	ABSENT	P	LG	P	P	P	P	P	P	P	P	P	P	P	P
Mzila TPM (EFF)	ABSENT	P	P	P	P	P	P	P	LG	LG	LG	LG	P	LG	P	P
Singh R (DA)	LG	P	P	P	LG	P	P	P	P	P	P	P	LG	P	P	P
Ndlovu MI (ANC)	LG	P	ABSENT	ABSENT	P	P	P	P	P	P	ABSENT	P	ABSENT	P	P	ABSENT
Ndlovu N (IFP)	LG	P	LG	P	LG	P	P	P	P	P	LG	P	ABSENT	LG	LG	LG
Ndlovu SL (JEP)	LG	P	P	P	P	LG	LG	P	P	P	P	P	P	ABSENT	P	LG
Ngcobo AB (EFF)	P	P	LG	P	P	P	P	P	LG	LG	LG	P	P	LG	P	P
Ngcobo ZP (ANC)	P	P	P	P	P	P	LG	LG	P	P	P	P	P	LG	P	P
Ngubane MA (IFP)	P	ABSENT	P	P	P	P	LG	P	P	P	P	ABSENT	LG	LG	P	P
Ngubane T.C (ANC)	P	P	P	P	LG	P	P	P	P	P	P	P	P	LG	LG	P
Ngubo JJ (ANC)	P	P	P	P	P	P	P	P	P	P	P	LG	P	P	P	P
Ngubo ZR (DA)	P	P	P	P	P	P	P	P	LG	P	P	P	P	P	P	LG
Ngwenya PV (ANC)	P	ABSENT	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Nhlabathi BC (DA)	LG	LG	P	P	ABSENT	P	P	P	LG	LG	LG	LG	P	P	P	P
Niemand R (ACDP)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	LG
Nkabini SJ (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Ntombela TD (IFP)	LG	ABSENT	ABSENT	P	P	LG	P	LG	P		P	LG	P	LG	ABSENT	LG
Ntombela T Desmond (IFP)	P	ABSENT	ABSENT	P	P	P	LG	P	P	P	P	P	P	LG	P	LG
Phungula DB (ANC)	P	LG	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Phungula N (DA)	P	P	P	P	P	P	P	P	LG	P	P	P	LG	LG	P	P
Phungula S (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Phungula VM (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	LG	P	ABSENT	P
Ram R (ANC)	P	P	P	P	P	P	LG	LG	P	P	LG	P	P	P	LG	P
Reddy S (DA)	P	LG	P	LG	LG	P	P	LG	LG	P	P	P	P	P	P	P
Roberts DL (DA)	P	LG	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Shezi MJ (IFP)	P	P	ABSENT	P	P	P	LG	P	P	LG	P	LG	LG	LG	P	P
Sithole P (ANC)	P	P	P	P	P	P	P	P	P	P	P	LG	LG	LG	P	P
Sokhela NP (ANC)	P	P	P	P	P	P	P	P	P	P	LG	P	P	P	P	P
Soobiah R (DA)	P	P	LG		LG	P	LG	LG	LG	P	P	P	P	LG	P	P
Strachan RB (DA)	LG	LG	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Thebolla MM (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	LG	P	P
Zondi HM (ANC)	P	P	P	P	LG	P	P	P	P	P	P	P	P	P	P	P
Zondi T (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Zuma BE (IND)	P	P	P	P	P	P	LG	P	ABSENT	LG	P	LG	ABSENT	P	P	LG
Zuma B Ed (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Zuma MB (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Zuma S (ANC)	P	P	P	P	P	P		P	P	P		P	P	P	P	P
Zuma SR (ANC)	P	P	ABSENT	P	P	P	LG	P	P	P	P	P	ABSENT	P	ABSENT	P
Sithole S (EFF)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	LG	P
Phahla PAP (ABC)	P	P	P	P	ABSENT	P	P	P	P	P	P	P	P	P	P	P
Zuma M (ANC)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P
Wakeni C (EFF)	N/A	N/A	N/A	N/A	P	P	P	LG	P	P	P	P	P	P	LG	P
Rahman MS (IFP)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	LG	P	LG	P

COMMITTEE ALLOCATION

COMMITTEE ALLOCATIONS 2024-2025		
PORTFOLIO COMMITTEE	**CHAIRPERSON**	**MEMBERS**
Executive Committee	Councillor Mzimkhulu Meshack Thebolla (The Mayor)	Councillor Mxolisi Theophilus Mkhize Councillor Ntombizethu Precious Sokhela Councillor Zanele Princess Ngcobo Councillor Nokuthula Prudence Msimang Councillor Chuma Wakeni Councillor Thinasonke Dennis Ntombela Councillor Ross Bryan Strachan Councillor Bongumusa Cyril Nhlabathi Councillor Phumelela Angela Phahla
Sustainable Development & City Enterprise	Councillor Ntombizethu Precious Sokhela	Councillor Sinothi Jerome Nkabini Councillor Dorcas Sibongile Mkhize Councillor Godman Nkosivelile Dlamini Councillor Kwazikwakhe Emmanuel Madonda Councillor Rooksana Ahmed Councillor Edith Elliot Councillor Thinasonke Dennis Ntombela Councillor Phumelela Angela Patrolla Phahla
Corporate Services	Councillor Zanele Princess Ngcobo	Councillor Nkosinathi Maxwell Mbanjwa Councillor Siphiwe Phungula Councillor Sibusiso Alfred Mkhize Councillor Sphamandla Sydney Madlala Councillor Nkosinathi Patrick Masoeu Councillor Sibusiso Desmond Chonco Councillor Haroon Daniel Kemp Councillor Bongani Dumisani Mbona Councillor Pretty Nelisiwe Maphanga Councillor Sinenhlanhla Love-joy Ndlovu
Infrastructure Services	Councillor Mxolisi Theophilus Mkhize (Deputy Mayor)	Councillor Sbongumusa Zuma Councillor Hamilton Mlungisi Zondi Councillor Musawenkosi Bhengu Councillor Percival Vusi Ngwenya Councillor Gladness Sibongile Mncwango Councillor Mduduzi Caswell Mshengu Councillor Bongumusa Nhlabathi Councillor Renisha Singh Councillor Rachel Soobiah Councillor Mshushisi Aubrey Ngubane Councillor Bukelani Ephraim Zuma Councillor Nomalady Eleanor Dlela
Community Services	Councillor Nokuthula Prudence Msimang	Councillor Cyril Skhanyiso Makhaye Councillor Tholakele Ignatia Dlamini Councillor Mphilisi Instance Ndlovu Councillor Simphiwe Samual Buthelezi Councillor Thandiwe Mkhize Councillor Victoria Mavie Phungula Councillor Zinhle Regina Ngubo Councillor Sandra Patricia Lyne Councillor Garth Middleton Councillor Nomusa Wendy Mncube Councillor Thembile Precious Memory Mzila Councillor Thandanani Desmond Ntombela Councillor Mbongeni Jetro Shezi Councillor Sandile Gcabashe Councillor Randall John Adams
Financial Services	Councillor Mzimkhulu Meshack Thebolla (The Mayor)	Councillor Roy Ram Councillor Hencefort Mbusiswa Mkhize Councillor Khulekani Msomi Councillor Sibusiso Richard Ntuli Councillor Busani Edward Zuma Councillor Ross Bryan Strachan Councillor Douglas Leslie Roberts Councillor Noma Autrin Phungula Councillor Tholakele Nelisiwe Cele Councillor Sanele Protus Mpulo Councillor Bhekithemba Alison Mkhize Councillor Nomfundo Ndlovu Councillor Hamilton Mlungisi Zondi
Municipal Public Accounts	Councillor Zwelinjani Henry Magubane	Councillor Jabulisile Joyce Ngubo Councillor Themba Cyril Ngubane Councillor Dumisani Bernard Phungula Councillor Philisiwe Sithole Councillor Michael Bhekabantu Zuma Councillor Sbongumusa Zuma Councillor Sanele Russell Zuma Councillor Thembinkosi Zondi Councillor Reginald Xolani Khanyile Councillor Reddy Suraya Councillor Lungile Mgaga Councillor Rienus Niemand Councillor Beatrice Nombuyiselo Mkhize

APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE

The Secretariat section provides support to the Council, Committees of Council and administrative committees. The activities the section performs relating to the coordination of the meetings of Council and committees include the development of the annual, monthly, and weekly schedules of meetings; booking of suitable venues; provision of language services, which include translation and interpretation; compilation and distribution of meeting agendas and minute-taking. The support that the Secretariat section provides also extends to other municipal activities such as the annual Mayoral/ IDP and Budget Road shows and Izimbizo. This section is also responsible for the development and monitoring of Councils Resolution Tracker which is compiled and submitted to both management and Executive Committee on a quarterly basis.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)
The Municipal Public Accounts Committee (MPAC) is established in terms of Section 79 of the Municipal Structures Act, 1998 and is made up of ordinary Councillors to oversee the expenditure of public funds in order to ensure the efficient and effective utilization of council resources and to enhance the political accountability of Council.

APPEALS COMMITTEE
The Appeals Committee is constituted in terms of Section 62 (4) (c) (ii) of the Local Government: Municipal Systems Act, 2000 to hear appeals against decisions taken by a political structure, political office bearer or a Councillor of the Municipality in terms of a power or duty delegated or sub-delegated to it by a delegating authority.

SECURITY COMMITTEE
The Security Committee is constituted in terms of Section 79 of the Municipal Structures Act to consider and deal with cases of threats directed to Councillors and senior officials and are associated with or linked to the performance of their duties as municipal Councillors and senior officials.

RECESS COMMITTEE
The Recess Committee is established in terms of Section 79 of the Municipal Structures Act to deal with any emergency or urgent matters which may emerge and require urgent attention when the Council is in Recess. [Note: - The Recess Committee is currently dormant as Special EXCO/Council meetings are convened to deal with urgent matters during the Recess period]

POLITICAL DECISION-MAKING
The Rules and Procedures of Council and its Committees provide inter alia for the powers and functions that the Council may delegate; however, there are those it may not delegate, as well as the votes that are required when certain matters are decided. In making decisions on the following matters, a supporting vote of a majority of the number of Councillors is required: -

(a) The passing of by-laws.
(b) The approval of budgets.
(c) The imposition of rates and taxes, levies and duties.
(d) The raising of loans.
(e) The rescission of a council resolution; and any other matter prescribed by legislation.

All other questions before the Council are decided by a majority of the votes cast and in the case of an equality of votes, the Councillor presiding (the Speaker) exercises a casting vote in addition to a vote he or she has as a Councillor.

Before the Council takes a decision on any of the following matters it first has to obtain the recommendations of the Executive Committee: -

(a) The passing of by-laws.
(b) The approval of budgets.
(c) The imposition of rates.
(d) The raising of loans.
(e) The approval of an integrated development plan for the Municipality and any amendment to that plan.
(f) The approval of a performance management system
(g) The appointment and conditions of service of the Municipal Manager and a head of department of the Council."

Note: Constitution S151(3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

PORTFOLIO COMMITTEES
The Portfolio Committees are established in terms of Section 80 of the Local Government: Municipal Structures Act, 1998 to assist the Executive Committee.

The Committees, by resolution taken with a supporting vote of a majority of their members, may determine their own procedures, subject to any directions and the Rules of the Council and any dispute arising from an interpretation of such Rules must be referred to the Speaker of the Council whose decision in the matter shall be final.

Each Committee must meet at least once a month, subject to the condition that the Chairperson may determine the date, time and venue of the postponed or cancelled meeting if he or she deems it necessary to have it taking place before the date set for the ensuing meeting.

The Chairpersons shall decide when and where the Committee shall meet, but if a majority of the members of the Committee requests the Chairperson, in writing, to convene a meeting, the Chairperson shall convene such a meeting at the time set out in the request.

The recommendations of the Portfolio Committees shall be presented to the Executive Committee for discussion by the Chairperson of the Committee

APPENDIX C: THIRD TIER STRUCTURE

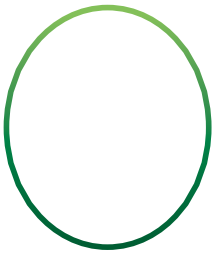
The organogram of the administrative structure of the municipality / municipal entity.

TIER 1

CITY MANAGER
Vacant

FUNCTIONS

- Communications
- Integrated Development Plan
- Internal Audit
- Monitoring & Evaluation
- Policy, Strategy and Research



TIER 2

CHIEF FINANCIAL OFFICER:
N Ngcobo

TIER 3

Senior Manager: Expenditure Management
S Nxumalo
Senior Manager: Revenue
K Shoba
Process Manager: Budget
S Khoza
Senior Manager: Supply Chain
D Ndlovu
Senior Manager: Asset Management
M Ntuli
Senior Manager: Financial Performance
O Langa

FUNCTIONS

Budget & Financial Control
Expenditure Management and Financial Control
Revenue Management & Customer Care
Supply Chain Management
Treasury and Financial Support

TIER 2

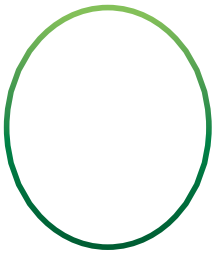
GENERAL MANAGER:
Corporate Services
M Molapo

TIER 3

Senior Manager: Human Resources Management
Vacant
Senior Manager: Legal Services
N Hlophe
Senior Manager: Secretariate and Auxillary Services
S Dubazana
Senior Manager: ICT
X Ngebulana

FUNCTIONS

Recruitment and Selection
Staff establishment
HR Support Services
Benefits Administration
Employee Relations
Occupational Health, Safety and Wellness
Skills Development
Organisational Development
Performance Management
Secretariat and Auxiliary
ICT
Registry
Legal services



TIER 2

GENERAL MANAGER:
Community Services
Vacant

TIER 3

Senior Manager: Waste Management
S Mhlongo
Senior Manager: Community Development
M Zuma
Senior Manager: Public Safety
Vacant
Senior Manager:ABM
ECH Lyons

FUNCTIONS

HIV and AIDS
Parks
Sports and Recreation Facilities
Libraries Disaster Management
Fire and Emergency Services
Traffic and Security Services
Waste Management
Area Based Management

TIER 2

GENERAL MANAGER:
Infrastructure Services
S Hlela

TIER 3

Senior Manager: Roads and Transportation
L Mngenela
Senior Manager: Electricity Management
M Ntombela
Senior Manager: Water and Sanitation
B Sivparsad
Programme Manager: PMU
T Makhanya
Manager: Mechanical Workshops
TE Gumede

FUNCTIONS

Electricity Distribution, Technical Services, Roads, Storm-water and Transportation
Public Works
Infrastructure Design & Implementation
Project Management
Water and Sanitation

TIER 2

GENERAL MANAGER:
Sustainable Development
N Khuzwayo

TIER 3

Senior Manager: Development Services
Vacant
Senior Manager: Planning & Environment
N Khoali
Senior Manager: Human Settlements
P Gumede
Senior Manager: Municipal Entities
N Mofokeng

FUNCTIONS

Development Services
Town Planning
Real Estate and Housing.
Environmental Management and Land Survey, Building Inspectorate and Licensing.
Human Settlements Entities
Environmental Health

CITY MANAGERS OFFICE

TIER 3

Senior Manager: City Manager's Office
M Wankra
Senior Manager: Political Support
SM Zondi
Senior Manager: Strategic Planning
I Chetty
Manager: Internal Audit
PJ Mahlaba

FUNCTIONS

IDP
Communication
OPMS
PMB Urban Renewal
Political Offices
MPAC Chair
Strategic Planning
Internal Audit

- It must be stated that the Approved Structure does not consider the DMM Electricity, however it must be noted that Mr S Mchunu was appointed as DMM: Electricity Supply Services during the financial year.
- During the 2024/2025 Financial Year, Ms. N Ngcobo and Mr s Hlela both acted as the Municipal Manager.
- Mr O Langa and Mr S Khoza Acted in the role of CFO during the financial year.

APPENDIX D: FUNCTIONS OF MUNICIPALITY ENTITY

The Chairperson, P.O. Box 3110, Pietermaritzburg, 3201
Phone: 033 394 0101 Email: cascades@futurenet.co.za

SAFE CITY MSUNDUZI NPC
Reg. No. 2010/024562/08
CHAIRPERSON'S ANNUAL REPORT
For the year ending 30th June 2025

1. BACKGROUND:
Safe City Pietermaritzburg was formally constituted as an Association incorporated under section 21 of the Companies Act on 28 March 2002.

The need for street surveillance arose when the various South African Police Services amalgamated in 1994 and a moratorium was placed on the recruitment of police officers. The late Mr Des Winship, retired Managing Director of Hulamin and then chairperson of Business Against Crime (BAC) in Pietermaritzburg realised additional methods for the prevention and detection of crime had to be found and he started with a research process of establishing a CCTV surveillance capability in the Pietermaritzburg. PMCB then Pietermaritzburg Chamber of Business provided initial capital funding to install the first phase of surveillance cameras in the city. Detailed crime statistics was then obtained from the South African Police Services to determine crime hot spots where cctv cameras had to be installed.

The South African Police Services also gave their full commitment in supporting the project by undertaking to post a SAPS member on a 24/7 basis in the Control Room and to provide response units to all crime incidents detected on camera. Strategic partnership was created between Safe City Pietermaritzburg and Msunduzi Municipality who undertook to fund the project by means of operational and capital funding.

The first main agreement between the two parties were signed on the 18th of May 2002 and this led to the first fifteen CCTV cameras started to operate on the 1st of January 2003 on a 24/7 basis with the Control Room situated on the 1st Floor at the Fire Department. During that period, Safe City Pietermaritzburg was registered as a Section 21 company in accordance with the Companies Act: Act 1973. Subsequent addendums to the agreement were signed on the 12th of September 2003, 28th July 2004, 20th July 2005, and 26th July 2006. Further strategic partnerships were formed with the National Prosecuting Authority (NPA) to dedicate a court for all cases detected on camera. A TV monitor and DVD player was also donated by BAC to the magistrate's court for the purpose of leading CCTV evidence during court cases.

It is, however, important to note that the Safe City NPC partnership with its mother body is only based on the Business Plan submitted annually and Service Level Agreement. The Memorandum of Agreement between the two parties still remain as non-compliant and the review of the previous Main Agreement between the Safe City NPC and Msunduzi Municipality is critical to ensure that the new MOA between the two parties is concluded for both parties to be fully compliant in terms of MFMA.

The Service Level Agreement (SLA) for the financial years 1st June 2023 to 30th June 2026 was signed on 2nd August 2023. As indicated above, the agreed process between Msunduzi Municipality and Safe City Board is a partnership that consists of a Service Level Agreement signed for a period of 3 (three) years consecutively and then subsequently reviewed for the following 3-year period. As stated above, currently, the Safe City Board does not have a reviewed main agreement or Memorandum of Agreement with its parent municipality, Msunduzi Municipality. The official appointment of the Safe City Board of Directors is pending, which will enable both the Entity and Msunduzi Municipality, as the Shareholder, to achieve compliance. The existing Safe City Board of Directors have remained as Interim structure.

2. SAFE CITY ON CORPORATE GOVERNANCE
The Safe City Board has performed its duties diligently in accordance with the Municipal Finance Management Act, King IV, and other requirements as per the Company's Act. As it stands now, Safe City currently has only 4 members the majority of whom are independent non-executive members consisting of a broad spectrum of external expertise such as Finance, Business Management, Information Technology, Human Resources and Corporate Governance.

In terms of good governance, the role of the Chairperson of the Safe City Board is separate from that of the General Manager. The Safe City Board is responsible for the overall strategic direction of the Entity. The Safe City Board met twelve (12) times during the year with the inclusion of the Annual General meeting and Special Board meetings which were conducted during the year. The Safe City Board in discharging its governance role and has only one board committee HR / Remuneration Committee. It is critical that Safe City NPC continue to fully subscribe to King 1V. As the current Safe City Board consist of only four board members it is a challenge for Safe City Board to abide by its Board Charter with respect to establish additional board committees.

During the 2024/25 financial year, the Senior Manager for City Entities attended all Safe City board meetings as the Msunduzi Municipality representative, consistently advising the board on related matters. The interim board continues to perform its duties. The Senior Manager informed board members that the report calling for the constitution of board members as compiled by Sustainable Development and City entities, was presented to the Top Management Committee which approved the report and made recommendations to the Portfolio Committee.

The Portfolio Committee has also approved the report and resolved that the report to be recommended to EXCO, then report will then be recommended to Full Council.

3. AUDIT COMMITTEE: Shared Services with Parent Municipality
Safe City Msunduzi NPC is an entity of Msunduzi Municipality who is the sole shareholder. As its entity, and due to the Companies Act 71 of 2008, the Audit Committee remains a statutory Committee as recommended in the Companies Act 71 of 2008. As in accordance with MFMA, and that Safe City being the Entity of Msunduzi Municipality, the entity shares audit resources with its parent Municipality in terms of internal audit services. The Safe City Board is therefore able to participate in the Msunduzi Audit Committee meetings and report on matters specifically affecting Safe City with respect to audit and risk management processes. Safe City is represented at the Msunduzi Audit Committee by the Chairperson of Safe City Board and the General Manager. All matters or issues presented to the Msunduzi Audit Committee are thereafter presented to Safe City Board for review and approval.

4. INTERNAL AUDIT SERVICES
As indicated above, that Safe City shares internal audit services with its parent Municipality (Msunduzi Municipality). The role of the Internal Audit Services is to provide independent assurance on the adequacy and effectiveness of the internal controls, and to report their findings and

recommendations to management, Audit Committee (i.e., Msunduzi Audit Committee) and to the Safe City Board.

Safe City management is responsible for addressing control deficiencies and improving systems where possible. On 21 November 2024, the Chief Internal Auditor presented a governance audit report with findings and recommendations. The Safe City Board expressed concerns regarding inherent risks, repeated findings, and disagreed in writing with some report terminology. Some issues identified involve compliance matters outside of Safe City's control.

In April 2025, Internal Audit conducted a high-level review of the 2023/24 Annual Report, which was presented by the Chairperson of the Board to the Msunduzi Council on 5 March 2025. The audit findings indicated that the Chairperson of Safe City does not have the authority to present the Annual Report to Council.

5. EXTERNAL AUDIT FUNCTION: THE AUDITOR GENERAL

The Auditor-General, annually, during the month of August performs an audit whereby it examines, inquires and audits accounts, corporate governance matters, compliance and non-compliance matters and satisfies itself that all reasonable precautions have been taken to safeguard public funds and that law, directions and instructions relating thereto have been duly observed.

An engagement meeting between the Auditor-General, Safe City management, Treasurer, and the Chairperson of Safe City Board was held on the 23rd of October 2024.

The purpose of the meeting was for the Auditor-General to outline and obtain agreement on the terms of the audit engagement as well as the nature and limitations of the annual audit and to outline the respective responsibilities of the auditor and the Accounting Officer regarding the annual audit. The Auditor-General met with the Safe City Board on 30 November 2024 and presented its final internal audit outcome that Safe City obtained unqualified audit report. This is of great appreciation to Safe City management for maintaining its status to obtain unqualified audit report for seven,7 years in consecutive.

(Safe City has for the past seven (7) consecutive financial years (2017/2018, 2018/19, 2019/2020, 2020/2021, 2021/2022, 2022/2023, 2023/2024 been awarded Unqualified Audit Opinion Reports by the Auditor-General.

6. HR / REMUNERATION COMMITTEE: (Safe City Board Committee)

The functions of HR/Remunerations Committee are to review all Human Resource matters including all new and revised Human Resource policies, approving systems and procedures for the implementation of these policies and monitor the implementation thereof. A subset of the HR / Remuneration Committee, consisting of two independent, non-executive members is responsible for considering and determining management salaries and provide oversight on the recommended staff salary adjustments presented by the General Manager.

The Committee did meet on the 20th of June 2025 whereby it was decided to afford the staff a 6.5% annual increase considering that they did not receive a salary increase in the previous financial year. The meeting was chaired by the Deputy Chairperson, Mr. Greg Moody. The proposed salary increase was presented to the Safe City Board on the 3rd of July 2025 whereby it was unanimously approved.

7. The Safe City Board of Directors

As Safe City is a Municipal entity performing a vital service to the community and the municipality of Msunduzi, members of the Board need to have a sound knowledge and understanding of the following important aspects:

- Municipal Finance Management
- Municipal Systems Act
- Company's Act and in particular the provisions of the King IV document
- Information Technology
- Human Resource Management
- Criminal and Civil Law requirements and in particular the provisions of the Criminal Procedure Act: Act 51 of 1977
- CCTV street surveillance systems. The basic principles applied in the compilation of Operational Requirements, the Design of Street Surveillance systems and estimate costing of such systems.
- Project Management.
- ISO 9001 Accreditation
- Municipal Supply Chain Management
- Private Security Regulatory Act (PSIRA)
- Basic Conditions of Employment and Sectorial Determination 6 provisions
- General Recognized Accounting Practice (GRAP) Standard practices
- Preparation of Budgets in accordance with Municipal Standard Chart of Accounts (MSCOA)

8. SAFE CITY MSUNDUZI NPC BOARD MEMBERS: INTERIM STRUCTURE

Name of Director	Background Details	Number of Board Meetings Attended		
		AGM*	SBM*+ CBS*	GBM*
Ms. Z Sokhela	• Trustee of BP Cascades Service Station/BP Edendale. • Former President and current Director of PCB • Former Deputy Chairperson of uMgungundlovu TVET College • Served as UKZN Council member, Serve as Deputy Chair of UMDM Economic and Development Agency. • Board Member of Comrades Marathon Association. • Member UKZN Foundation Board of Trustees. Served in various UKZN Committees and • Chairperson of Fuel Retailers Association, KwaZulu-Natal Region • Board Member for KZN Tourism and Film Authority • Currently the Chairperson of the Safe City Board of Directors.	1	6	5
Mr. G Moody	• Managing Executive. Aluminium Foil Converters: Bidvest Group. • Currently vice chairperson of the Safe City Board of Directors		3	5

Name of Director	Background Details	Number of Board Meetings Attended		
		AGM*	SBM*+ CBS*	GBM*
Ms. R Singh	• Senior Legal Admin Officer - Department of Human Settlements (Legal Services) • Admitted attorney since 2005 • Bachelor of Law Degree (UKZN) • Post Grad Diploma - Compliance Management (UJ) • Master of Law (UKZN)	1	6	4
Dr. S Ako- Nai	• Academic: Lecturer, University of Kwazulu-Natal, PMB – Information Technology. • Executive Consultant: Dydx Business Technologies. • Academic Advocate: Institute of Directors KZN Branch and ISACA:	1	5	4
K Basson.	• Currently Director at Bastrio Group (Pty) Ltd (Technology & Financial Systems Consultancy &Support) • Previously with Legal Practice Council / Natal Law Society for 20 Years in Finance and IT (Former Finance Manager) • Currently hold Bachelor of Commerce (Management Accounting) (UNISA) • Post Graduate Diploma in Management Accounting. (UNISA) • A+ / N+ / Security+ (IT Schooling) • Sat on the following School Boards (JC Joshua Pre-Primary / Eastwood Primary / Longmarket Girls School (Current treasurer) • On the executive for Pirates Football Club Pietermaritzburg as well as the board of the • Co-opted Member Comrades Marathon Association Board • Serve as Chairperson of CMA Marketing Committee • Serve as Member of CMA Legal and Constitution Committee.	1	6	5

* **AGM:** Annual General Board Meeting
* **SBM:** Special Board Meeting
* **GBM:** General Board Meeting
* **CBM:** Closed Board Sessions

The above interim structure of Safe City Board members now consists of 4 members due to the resignation of Ms R Singh on 30 May 2025.

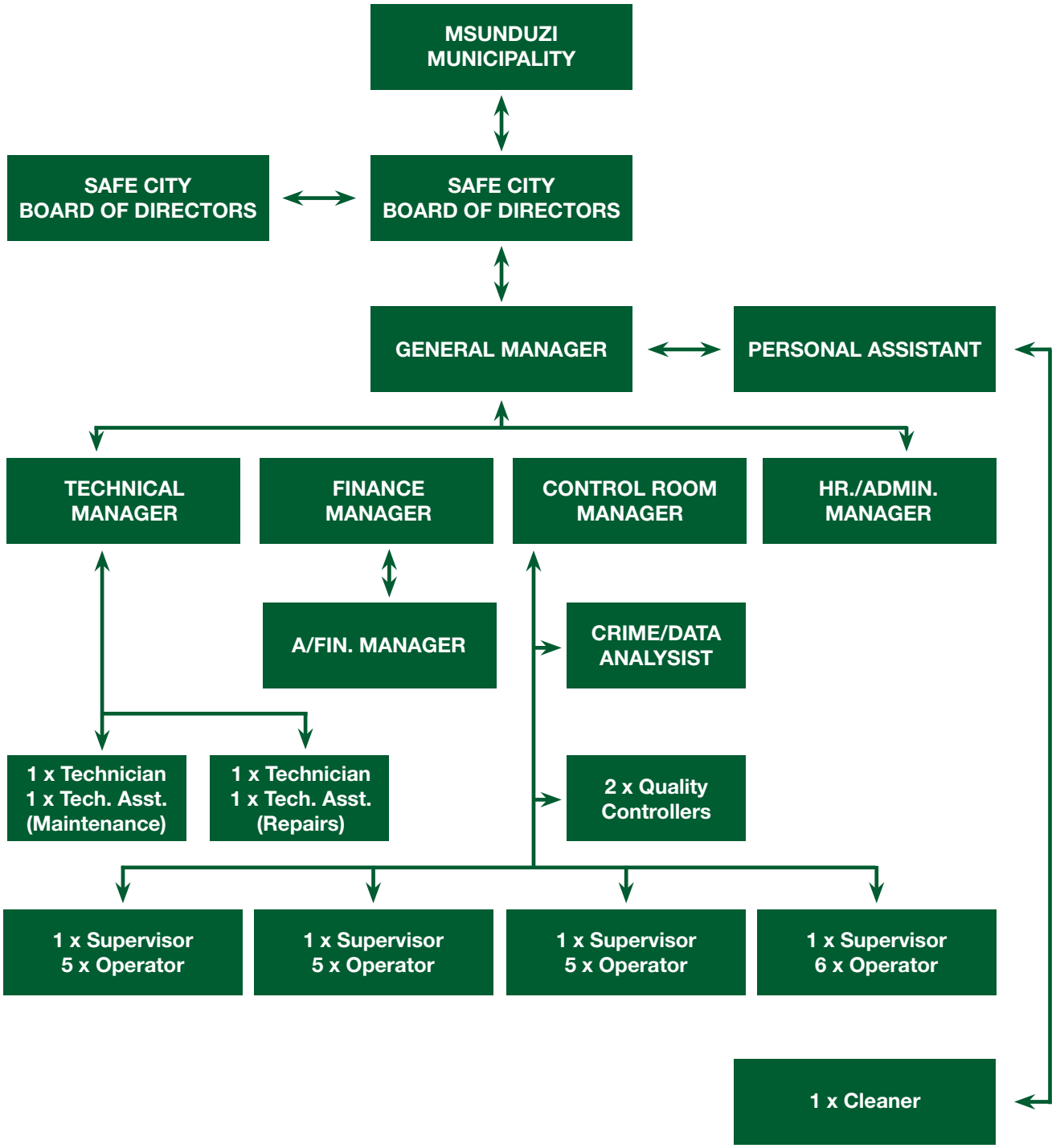
The Safe City Board Members remain committed to good governance and is reaffirmed and presented the Annual Financial Statements and Non-Financial statement report for 2024/25 on the 20th of August 2025. The Safe City Board continues to maintain strict ethical standards in the operations of Safe City and accordingly undertakes from time-to-time to review of its business practices and governance responsibilities. Safe City also reviewed and revised a number of polices during the 2024/25 financial year. This reviewing process was undertaken to ensure that all policies were updated and remains relevant to Safe City's daily operations.

9. STAFFING

The Safe City Msunduzi NPC organogram remains as structured below and it is important to highlight the challenges faced by the Entity as per its current structure. The organogram does pose huge challenges for the Entity with respect to the level of Management. As it stands, the management is only represented by the General Manager.

The impact of this poor management structure not only hurts the ability in improving productivity, but it also hampers with maximizing opportunities for taking Safe City to the next level. The current Safe City organogram makes it difficult to create an effective and long-term strategies for the Entity. There is however an urgent need to engage with our parent Municipality in order to benchmark and conduct job grading on the Safe City organogram in the near future. A new newly proposed Safe City organogram has been developed and will be presented as part of the induction and strategic planning session to the newly appointed Safe City Board of Directors once that is finalised by our Parent Municipality.

CURRENT SAFE CITY MSUNDUZI NPC ORGANOGRAM



10. PARTICULAR MATTERS RELATING TO THE YEAR 2023/24:

10.1 Traffic Bylaw Infringement Campaign:

For the 2024/25 Financial Year, Safe City and the Msunduzi Municipal Traffic Department again engaged in a campaign to enforce traffic bylaws in order to ensure that motorists adhere to Municipal Traffic regulations. Please see para 11.2.4 for results.

11. CONTROL ROOM PERFORMANCE:

11.1. Core Functions:

Safe City operates on a 24/7 surveillance basis, and all the Control Room functions are ISO 9001:2015 certified. The Safe City Control Room is the best and the only street surveillance Control Room in South Africa which can boast with such an accreditation.

Primary Function:

- The monitoring of traffic and Municipal Bylaws such as littering, street gambling and illegal trading.
- Facilitating the Automatic Number Plate Recognition (ANPR) system for the execution of outstanding traffic warrants.
- The prevention, detection, and investigation of crime.
- The maintenance of the existing CCTV system.
- Advising Msunduzi Municipality on the expansion of the CCTV system and
- Oversee the design, specification, and installation of new CCTV equipment.

Secondary Function:

- Facilitating the Disaster Management JOC during marches and gatherings.
- The monitoring of gatherings, marches, and events of public interest within camera visual area.
- Attend meetings with the Municipality to determine possible additional services.
- Liaise with Community Policing Forums and other community security-based organizations.
- Informing the public and business community regarding current crime tendencies and advise them on crime prevention strategies.

11.2. Street Surveillance Cameras:

Safe City have 71 street surveillance cameras located in the following areas and monitored 24/7.

Area	Number of CCTV cameras
Alan Paton	1
Northdale	4
CBD	56
Freedom Square Taxi Rank	10

Except for the Freedom Square Taxi rank cameras, most of the street surveillance system can be regarded as antiquated and with the inclusion of the recording equipment needs to be upgraded as soon as possible as its operational capacity has diminished drastically. The system has been in operation on a 24/7 basis since the 1st of January 2003 and spares can no longer be obtained at reasonable prices to repair or replace crucial components.

11.2.1. Summary of Crime and General Incidents Detected

There has been a drastic decrease in business robberies. The Eyes and Ears Project which is a national SAPS initiative has been established which will involve SAPS, Private Security Company and Municipal Security as force multipliers. This initiative will ensure rapid response to any criminal or bylaw infringement detected on camera. A Joint operational control room will be located the Mkodeni Market where all role-players will be based. A live video link will be provided from the Safe City Control Room to the operational control room.

11.2.2. General Incidents

The incidents as in the table below reflect all activities monitored and reported by the Control Room. The statistics are based only on areas where there are cameras and comparing the figures for 2023/2024 versus 2024/25 it reflects a considerable increase of 15% in the number of incidents detected. This then clearly reflects that there is a dire need for Capital funding to continue installing cameras in those hot spot areas which are not covered by the CCTV. See the table below:

Description	2023/24	2024/25
No of Incidents Detected	12 552	14 378
Total Incidents Dispatched	10 211	11 407
Total Incidents Responded to:	7 009	7 864
Total Incidents Not Responded	3 202	3 543

11.2.3. Crime Incidents: SAPS Response:

The SAPS responded to 76% of requests for all crime and general incidents detected. See responses in the table below.

Description	2023/24	2024/25
SAPS Dispatched Required	436	802
Response by SAPS Units	381	607
No Response by SAPS	55	49
SAPS Response Time	8,1 min	3,5 min
Number of Arrests made, and Preventative actions taken	212	94
Dockets sent to Court	58	68

11.2.4. Traffic Bylaws:

As mentioned in para 5, Safe City in conjunction with the Traffic and Security Department has since March 2022 embarked on an extensive project to assist the Traffic Dept in the enforcement of Traffic Bylaw Regulations by reporting traffic bylaw infringements detected on camera. For the 2024/25 Financial Year the Traffic Department dealt with 65% of dispatches required.

A traffic officer in now allocated to the Control Room which greatly assist with dispatching requests to traffic bylaw incidents detected on camera.

The table below reflects the high figures of traffic bylaws detected in the financial year 2024/25.

Description	2023/24	2024/25
Road Traffic Ordinance Double Parking/ No Parking Zone Obstruction Traffic Congestion/Gridlocks	8 033	8 245
Traffic Dept. Dispatch Required	8 033	8 245
No Traffic Response	2 476	2 913
Response by Traffic Dept.	5 557	5 332
Ave Traffic Dept. response Time	112,6 min	56 min

11.2.5. Automatic Number Plate Recognition (ANPR) System Operations

2024/25	No of Ops	No of Warrants Identified	Vehicles Scanned
Total	18	843	12 498

Unfortunately, ANPR operations were not conducted on a continuous basis during the financial year. The lack of consistency in this regard has been reported to the Management of the Traffic Department. Please see results as in the table below. There is a dire need to have a dedicated Traffic team assigned to conduct ANPR operations in conjunction with Safe City. A Mobile Solution was provided to assist in the conducting of ANRP roadblocks

11.2.6. Municipal Bylaws:
For the 2024/25 Financial Year the Security Department dealt with 66% of dispatches required. If the response by Municipal Security can be improved, it will significantly contribute to addressing the disregard of bylaw regulations such as the posting of posters and illegal trading on the sidewalks. Safe City is continuously involved in the drive of "Keeping the City Clean" by ensuring that within the vicinity of the CCTV, there is enforcement of relevant bylaws in the form of detecting Bylaw infringements such as littering. The lack of bylaw enforcement contributes to crime and grime in our city, and we would like to appeal to the Municipality to establish a dedicated Municipal Re-Action Unit who can operate in conjunction with Safe City to effectively address bylaw infringements.

Description	2023/24	2024/25
Bylaw Infringements Selling of DVD's Illegal Trading Littering/Dumping Public Nuisance Posters Illegal Connections	1 692	1 714
Security Dept. Dispatch Required	1 692	1 714
No Security Dept. Response	671	581
Security Dept. Response	1 021	1 133
Ave. Security response time	111,7 min	96 min

11.2.7. General Municipal Matters:
All the incidents detected as seen below were responded to by the relevant municipal business unit. The average time for responding to fire incidents were 9.2 min.

Description	2023/24	2024/25
Fires	16	46
Water leaks	26	26
Total	**42**	**72**

11.2.8. CBD Regeneration:
As stated in para 10.2.6 Safe City is continuously involved in Keeping the City Clean. A Peace Officer from Waste Department performs duties in the Control Room from Monday to Friday and over alternative weekends. She monitors the CBD which is under camera surveillance and coordinates with the Waste Department to collect waste detected in camera view.

	2023/24	2024/25
Waste Dept. Required	190	553
Waste Dept Response	190	553

11.2.9. The Street Public Announcement (PA) System as a Law Enforcement Tool:
During 2024/25 the street PA system has been utilised on 1562 occasions. The system is used in the following instances:

- When suspects are detected in an area, pedestrians or the public will be warned to be on the alert to secure their valuables as they might become victims of crime. To be able to identify known suspects and to warn pedestrians that they are under surveillance which in turn reduces crime opportunities created.
- When bylaw infringements such as posting of posters and illegal trading are detected the culprits will be warned to cease their activities.

Type of Announcement	Number of Occasions
General Public Warnings	1 562

11.2.10. Surveillance at Primary Electrical Substations:
The following Primary Electrical Sub stations are being monitored on a 24/7 basis. Since the installation of the cctv cameras at the substations no intrusions occurred which led to any power outages. Currently the Riverside Primary substation can be regarded as a high-risk site because of a scrap dealer who is located in proximity. Vagrants will often make a fire near the substation to burn cables to sell copper to the dealer. The PA is being used extensively at this site warn these vagrants not to encroach the perimeter fence ad not to make any fires near the fence. Municipal Security and Waste departments are aware of this problem

SUB STATION	NUMBER OF CCTV CAMERAS	NO. OF INTRUSIONS	PA SYSTEM UTILIZED
Riverside	19	-	220
Retief Street	17	-	38
Prince Alfred Street	13	-	2
Mkondeni	15	-	4
Hesketh	7	-	-
Woodburn	8	-	20
Northdale	8	-	3
Pine Street	11	-	2
TOTAL	**98**	**-**	**289**

12. MAINTENANCE OF SURVEILLANCE SYSTEM

The average camera downtime was only 1,25% of all cameras. Safe City's target is not more than 10% downtime. Power outages, load shedding and damage to fibre cables due to vehicle accidents wreaked havoc on our aging analogue equipment. In this regard our Technical Manager and his team have excelled in restoring the functionality of some of these cameras. Unfortunately, several analogue cameras could not be recommissioned and had to be replaced with IP cameras. The cost of these replacements was funded from our operational funds. Two hundred and forty-five (245) maintenance inspections were conducted with our yearly target being two hundred and forty (240) inspections.

	2023/24	2024/25
Camera Downtime	1.14%	1.25%
Maintenance Trips Conducted	245	245

13. FINANCE

Safe City Banking Accounts: First National Bank: Boom Street Branch:
Current Account No 62035467978
Money Market: 62035942392

13.1. Safe City Capital Budget:

13.1.1. 2024/25 Financial Year:

Safe City did not receive any CAPEX allocation for the 2024/25 financial year. We are still in the process of installing the CCTV cameras which we received during the previous financial year. Unfortunately, the installation process has been delayed because of additional documentation which is now required from the Municipality prior to connecting the CCTV cameras into the electrical grid. It appears that this matter has now been resolved. To date four new sites were installed and activated. Five (5) sites still need to be installed and activated. The installation process should be completed by the end of the 2025/26 financial year.

13.2. Safe City Operating Budget:

13.2.1. 2024/25 Financial Year:

Safe City applied for R 15 882 492,60 (excl. vat) for the financial year to maintain its high level of service excellence. We want to thank the Msunduzi Municipality for allocating the said amount to Safe City.

13.2.2. Financial Reporting:

The AFS for 2024/2025 financial year will be presented by the Board Treasurer of Safe City to the Board of Directors at the Annual General Meeting which is scheduled for the 20th of August 2025.

CONCLUSION

Safe City Board and management is pleased to have enjoyed a very fruitful relationship with the city's administration during 2024/25, and would like to thank the acting Municipal Manager, and other Senior Officials for their constructive support towards the Safe City project and for supporting our belief that Safe City is performing a recognised and valuable community service. The Board would however like to appeal to the Msunduzi Municipal Management and Council to finalize the following outstanding matters:

- The appointment of Safe City Board directors
- Conclude the matter of the investigation of Fruitless and Wasteful expenditure
- The outstanding final outcome on the condonation report (2016-2020) submitted by Safe City Chairperson to MPAC on 13 June 2023 and was subsequently presented to the Full Council. This is one of the outstanding matters, again preventing Safe City obtain clean audit and
- The establishment of a dedicated Municipal Response team to conduct ANPR operations and to respond to all Municipal bylaw infringements detected on CCTV camera.

On behalf of the Safe City Board, Safe City Management and Staff, allow me to confirm without any doubt that Safe City Msunduzi NPC is and shall be regarded as an asset to the Msunduzi Municipality and its communities. Without the presence of Safe City's CCTV Control Room and its operators, crime would have been rampant in the city. It always remains an important objective for Safe City to be a centre of excellence to ensure the safety of the public when visiting the Msunduzi precinct and to provide an acceptable service to the Municipality, SAPS, National Prosecuting Authority, and other stakeholders. To date, Safe City remains the best CCTV surveillance in South Africa as most of the provinces has visited the Safe City CCTV control room with the aim of benchmarking for their own promotion and improvement on their CCTV surveillance systems.

I would also like to thank all our partners including BFC, SAPS, NPA and several others who are, to a lesser or greater extent stakeholders in our successful operation. The Safe City Board endeavours to extend an invitation to all our partners to be represented in Safe City meetings as it has been the practice before. This will assist all stakeholders to provide input on how to fight and reduce crime by ensuring that response times are improved.

As the Chairperson of Safe City, I would like to extend my greatest appreciation to the members of the Safe City Board for their undivided and united support in consistently contributing strategically to the good governance of the organisation and to ensure that as the Board we always act in good faith and in the best interest of Safe City and our mother body, the Msunduzi Municipality. The Board further wants to thank the management and staff of Safe City for their commitment in ensuring that Safe City remains a centre of excellence despite numerous operational as well as financial challenges.

Finally, the importance of strengthening our relationship as an entity with our partners, such SAPS, Traffic Dept, Business Fighting Crime, the Community at large, and in particular with our Parent Municipality (Msunduzi Municipality) remains of crucial and critical importance to ensure that the objectives to fight crime within the precinct of Msunduzi Municipality is achieved. As the Board of Safe City, the Management, and all staff, we extend our gratitude to our parent municipality, and we also thank and appreciate, the Senior Manager of City Entities who is always available to represent our parent Municipality in all our Safe City Board meetings. Our greatest appreciation to the leadership of Msunduzi Municipality being led by Your Worship, The Mayor, Councillor Mzimkhulu Thebolla, and all the Councillors.

APPENDIX E: WARD COMMITTEE MEETINGS

OFFICE OF THE SPEAKER - MSUNDUZI MUNICIPALITY										
Record of Challenges / Complaints / Requests for Services per Ward as per Circular 63 - Municipal Finance Management Act										
2024/2025 Financial Year										
COMMUNITY MEETINGS										
WARD	**Date of Meeting**	**Number of Participating Municipal Councillors**	**Number of Participating Municipal Administrators**	**Number of Community members attending**	**Challenges / Complaints / Requests for Services received**	**Date information forwarded to Customer Care / Relevant Department for actioning**	**Date followed up with Customer Care / Relevant Department**	**Measures taken to address Challenges / Complaints / Requests for Services received per ward**	**Status of Challenges / Complaints / Requests for Services received per ward**	**Dates and manner of feedback given to Councillors to forward to the community**
1	18/09/2024	1	N/A	44	Housing project	Forwarded to VDA	None	The Cllr communicated direct to VDA	VDA will attend housing queries on continuous basis	Cllr dealt directly with VDA to resolve the challenges and report back to the community
	20/11/2024	N/A	N/A	N/A	Installation of lights in the ward, Hall have to be maintained	N/A	N/A	N/A	N/A	N/A
2	10/08/2024	1	N/A		Water & electricity crisis, RDP houses, Poor state of Roads, unemployment				VDA will attend housing queries on continuous basis	Cllr dealt directly with VDA and other relevant units to resolve the challenges and report back to the community
	15/02/2025	N/A	N/A	N/A	N/A	N/A	N/A	N/A	VDA will attend housing queries on continuous basis	Cllr dealt directly with VDA and other relevant units to resolve the challenges and report back to the community
3	18/08/2025	1	N/A	65	Skhabeni Road needs to be revamped, Application for extended water pipes is still pending. Unemployment issue	None	None	involving SAPS and other relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	08/12/2024	1	N/A	71	Infrastructure, water, electricity, master lights, access roads, housing issue	None	None	involving SAPS and other relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	16/02/2025	1	N/A	50	Infrastructure, water, electricity, master lights, access roads, housing issue	None	None	involving SAPS and other relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	18/05/2025	1	N/A	100	Introduction of AI Electrical Company	None	None	None	None	None
		1	N/A	26	Water, electricity, Toilets, Housing progress report, Halls issue, Road's maintenance, taxi rank	None	None	involving SAPS and other relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
4	21/07/2024	1	N/A	187	Crime, illegal dumping, water crisis, Electricity	None	None	involving SAPS and other relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	20/10/2024				Water, electricity, housing crime, roads	None	None	involving SAPS and other relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community

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4	19/01/2025				Construction of Khanyile Road, Housing, Electricity, water,	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	20/04/2025				Water, electricity, housing, road	None		Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
5	15/09/2024	1	N/A	250	Housing, water, electricity	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	07/12/2024		N/A	104	Water, roads	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
6	15/09/2024	1	N/A	51	Crime, Extension of water pipes, RDP houses	None	None	involving SAPS and other relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	08/12/2024		3	90	Construction of D1126 Road, Mushroom project, project of cleaning of streams and Rivers	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	09/02/2025		N/A	69	Electricity, Roads	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
7	29/09/2024	1	N/A	39	Housing, Electricity, Roads, Water shortage	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	09/12/2024	1	N/A	90	RDP houses, Electricity, Roads, Water shortage, HIV & AIDS	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	23/02/2025	1	N/A	82	Toilets, roads, electricity	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
8	18/08/2024	1	N/A	32	Road, water, RDP houses, Toilets	None	None	The Cllr communicated direct to VDA and all other relevant units	VDA will attend housing queries on continuous basis	Cllr dealt directly with VDA and other relevant units to resolve the challenges and report back to the community

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8	17/11/2024	1	N/A	30	Streetlights, Employment, Roads Request for sport ground	None	None	The Cllr communicated direct to VDA and all other relevant units	VDA will attend housing queries on continuous basis	Cllr dealt directly with VDA and other relevant units to resolve the challenges and report back to the community
	17/02/2025	1	N/A	No attendance register	Roads, electricity at creche water, streetlight, housing	None	None	The Cllr communicated direct to VDA and all other relevant units	VDA will attend housing queries on continuous basis	Cllr dealt directly with VDA and other relevant units to resolve the challenges and report back to the community
	18/05/2025		N/A	28	Roads, water,	None	None	The Cllr communicated direct to VDA and all other relevant units	VDA will attend housing queries on continuous basis	Cllr dealt directly with VDA and other relevant units to resolve the challenges and report back to the community
9	11/08/2025	1	N/A	159	Hall renovation, electricity, roads and transport, water meter and reservoir	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	17/11/2024		N/A	28	Roads, water,	None	None	The Cllr communicated direct to VDA and all other relevant units	VDA will attend housing queries on continuous basis	Cllr dealt directly with VDA and other relevant units to resolve the challenges and report back to the community
	25/05/2025									
10	29/09/2024	N/A	N/A	N/A	water outage, electricity outages, load reduction, potholes	forwarded to relevant departments by ward Cllr	None	Cllr reported to relevant departments	Issues Not resolved	Cllr followed it up with customer care and also other relevant units then reported back to the community
	08/12/2024	N/A	N/A	N/A	Roads, water,	None	None	Cllr reported to relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
11	28/08/2024	1	N/A	93	Water, Electricity, Roads, Introduction of Area Committee	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
12	08/09/2024	1	N/A	170	Streetlights, illegal connection of water at Khalanyoni, Crime and drug abuse, launching of CPF, Smero & Esigodini pedestrian bridge	None	None	involving SAPS and other relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	08/12/2024	1		96	Renovation of Esigodini Hall, installation of globes	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community

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12	02/03/2025	1		105	Water pipe installation, Master lights, Housing	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
13	20/07/2024	1	N/A	128	Election of a subcommittee member, Drug problem, streetlights, burglary and theft, land invasion, master lights installation	None	None	Cllr will involve relevant department	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units then reported back to the community
	26/10/2024		N/A	114	Land invasion, rate, indigent applications, Process of application of Aloe Ridge flats, unemployment	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	25/01/2025		N/A	101	handing over of title deeds, Housing issue	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	27/04/2025		N/A		Housing,	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
14	29/09/2024	1	N/A	98	Water, Toilets, installation off-speed humps, construction of kid's Sports facilities, construction of Hall, construction of youth centre, ABET revival	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the public
	08/12/2024		N/A	80	Lease of land by Horse racing group, Revival of the culture of sports in Willowfountain	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
15	28/07/2024	1	N/A	81	Illegal dumping, River cleaning campaign, water saving, Sewer leaks, streetlights,	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	27/10/2024		N/A	100	Illegal dumping, River cleaning campaign, water saving, Sewer leaks, Electricity	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	26/01/2025		N/A	115	Safety and security	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community

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16	07/07/2024	1	N/A	67	land invasion. Indigent policy, post-box issue, housing	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
17	25/05/2024	1	N/A	67	Housing, ratepayers' municipal services, distribution of kids toys from Motsepe foundation	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	24/08/2024	1	N/A	248	Housing, ratepayers	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	23/11/2024	1	N/A	no attendance register	Distribution of sanitary towels for young girls, launch of youth desk responsible for crime, monitoring of illegal businesses operating in the ward, Introduction of youth to agriculture sector, indigent policy None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community	
						None	None			
18	21/07/2024	1	N/A	130	water shortage. Electricity problem, profiling of the ward	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	13/10/2024	1	N/A	54	Electrical card problems, drought problem, water tank	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	19/01/2025	1	N/A	66	water issue, clinic maintenance, construction of hall	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	20/04/2025	1	N/A	255	Taxi/bus shelters, master lights, new schools building, toilets	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	15/06/2025	1			land invasion, Introduction of ntubayomuntu for hall construction, title deeds,	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
19	21/07/2024	1	N/A	50	light industrial hub project, introducing training centre for youth	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community

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	20/10/2024	1	N/A	44	Introduction of project	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	19/01/2025	1	N/A	35	SALGA games, housing, applications for indigent	None	None		Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	13/04/2025	1	N/A	20	light industrial hub project, introducing training centre for youth	None	None		Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
20	14/09/2025	1	N/A	60	bridge, road construction at Harewood	None	None	Cllr will involve relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
21	03/08/2024	1	N/A	91	Crime, water shortage,	None	None	involving SAPS and other relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
22	22/09/2024									
	14/12/2024	1	N/A	250	Housing, library construction, maintenance of wetlands, crime, speedhumps	None	None	involving SAPS and other relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	16/02/2025		N/A	155	Housing project, sanitation, renovation of Mt Patridge road, water pumps	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
23	29/09/2024	1	N/A	56	Potholes, VIP toilets, IDP Programme	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	30/11/2024	1	N/A	40	Grass cutting, illegal dumping, Library, Unauthorised illegal business, crime	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	23/03/2025	1	N/A	30	Drain system, illegal vendors, flats development,	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community

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24	N/A	1	N/A	26	Grass cutting, illegal dumping, Library, Unauthorised illegal businesses, crime	None	None	involving SAPS and other relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	N/A	1	N/A	26	Land issue, expansion of the Airport, Master lights	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	N/A	1	N/A	46	Drain system, illegal vendors, flats development,	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	N/A	1	N/A	40	Land invasion, grass cutting, storm water drains, speedhumps	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
25	14/10/2024	1	N/A	109	Housing, Project at Athlone circle	None	None	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	09/12/2024	1	N/A	Zoom	Poor billing by the Municipality, Electricity outages			email sent to Finance	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	14/04/2025	1	N/A	22	Poor billing by the Municipality, Electricity outages, Faulty electricity	None	None	email sent to electricity department	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units then reported back to the community
26	25/07/2024	1	N/A	20	Billing system	None	None	email sent to Finance	email sent to Finance	email sent to Finance
27	20/07/2024	1	N/A	54	Unemployment, crime, cutting of verges	None	None	involving SAPS and other relevant departments	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
28	16/08/2024	1	N/A	23	Illegal connection of electricity, installation of pre-paid meters.	N/A	N/A	None	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	22/11/2024	1	N/A	19	Prepaid electricity project	N/A	N/A	None	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the public

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28	21/02/2025	1	N/A	19	grass cutting, cleaning of gutters, fencing of Wood Perker Road, Street names to be replaced at Swallow Road, Barnet Road to be resurfaced, Increasing of Police vehicle in Mountain Rise police stations	N/A	N/A	None	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	14/05/2025				Cutting of grass, Crime issue and Introducing neighbourhood watch system,			None		
29	21/09/2024									
	02/12/2024	1	N/A	140	Housing, speedhumps, mobile clinic,	N/A	N/A	None	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	22/03/2025	1	N/A	69	Visitation of Home Affairs, Drug problem, drugs, Birth certificates, school visitation	N/A	N/A	None	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	21/06/2025		N/A	114	Transport	N/A	N/A	None	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
			N/A	30	Electricity shortage, Transport	N/A	N/A	None	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
30	17/07/2024		N/A	15	indigent applications, title deeds	N/A	N/A	None	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	16/10/2024			10	waste removal delays, electricity outages, water outages, safety and security.	N/A	N/A	None	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
31	17/07/2024	1	N/A	74	Introduction of ward committee, process of indigent application	N/A	N/A	None	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community

OFFICE OF THE SPEAKER - MSUNDUZI MUNICIPALITY										
Record of Challenges / Complaints / Requests for Services per Ward as per Circular 63 - Municipal Finance Management Act										
2024/2025 Financial Year										
COMMUNITY MEETINGS										
WARD	**Date of Meeting**	**Number of Participating Municipal Councillors**	**Number of Participating Municipal Administrators**	**Number of Community members attending**	**Challenges / Complaints / Requests for Services received**	**Date information forwarded to Customer Care / Relevant Department for actioning**	**Date followed up with Customer Care / Relevant Department**	**Measures taken to address Challenges / Complaints / Requests for Services received per ward**	**Status of Challenges / Complaints / Requests for Services received per ward**	**Dates and manner of feedback given to Councillors to forward to the community**
34	21/07/2024	1	N/A	52	Rehabilitation of Collapsing Road, installation of new pipes in Tarentaal dumpsite in Eastwood, adoption of sport programme	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the public
35	17/10/2025	1	N/A	62	electricity, Integrated development Plan, Refurbishment of Municipal Infrastructure, Housing development, Mountain Rise police station to fight against crime, 40% deduction of electricity	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	17/01/2025	1	N/A	92	Illegal dumping, electricity issue, crime	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	18/04/2025		N/A	200	Indigent applications, housing development, areas inherited from deceased people	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
36	29/07/2024	1	N/A	52	Ward projects, IDP/Budget and proposed tariffs and charges, Illegal boarding houses, safety and security	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
37	06/07/2024	1	N/A	40	Human settlement issue	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
38	26/07/2024		N/A	90	National housing needs, electricity outage	N/A	N/A	Forwarded to Electricity department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	25/10/2024	1		75	Electricity disconnections, crime and need for housing registration	N/A	N/A	Forwarded to Electricity department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	24/01/2025	1	N/A	35	Service delivery issues	N/A	N/A	Forwarded to Electricity department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community

OFFICE OF THE SPEAKER - MSUNDUZI MUNICIPALITY										
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39	30/05/2025	1	N/A	76	Unity in the ward, security at community hall at Songonzima, demarcation of land in the area, installation of electricity at Elandskop emandiyeni, crime issue, construction of the road at Songonzima	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
40	28/07/2024	1	N/A	20	Burst transformer, water outage for 3 years	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	26/10/2024	1	N/A	25	water issue, burst transformer issue	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	26/04/2025			36	The importance of buying electricity card, water tanks issue	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
41	21/07/2024	1	N/A	60	Rates and filling of indigent application forms	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	17/08/2024	1	N/A	187	National housing needs registration, ESKOM	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	19/10/2024	1	N/A	20	Indigent filling	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	17/11/2024	1	N/A	210	NHII registration, electricity outages, water outages at night	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	18/01/2025	1	N/A	351	VIP toilets, home affairs programme			Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	16/02/2025	1	N/A	55	Water outage, streetlights, indigent applications	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community

OFFICE OF THE SPEAKER - MSUNDUZI MUNICIPALITY										
Record of Challenges / Complaints / Requests for Services per Ward as per Circular 63 - Municipal Finance Management Act										
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41	20/04/2025	1	N/A	35	streetlights, Housing registrations,	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	18/05/2025	1	N/A	60	Water report back meetings, 75 houses to be built, Load reduction	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community
	21/06/2025	1	N/A	36	Illegal dumping, water issue, electricity, election of CPF	N/A	N/A	Cllr will involve relevant department	Cllr followed it up with customer care and also other relevant units	Cllr followed it up with customer care and also other relevant units then reported back to the community

APPENDIX F: WARD INFORMATION

Ward Name (No)	Number	Project Name	Start Date	End Date	Progress 24/25 FY (End of June 2025)
Ward 1	1	Rehabilitation of Roads Vulindlela Ward 1(Khumalo Road)	19.11.2024	26.09.2025	45% of 1km Completed
	2	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed
Ward 2	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed
Ward 3	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed
Ward 4	1	Rehabilitation of Roads Vulindlela(D1138)	04.12.2022	30.07.2024	100% of 1.3km completed
	2	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed
Ward 5	1	Construction of 300mm dia. X 2.715km long steel pipeline	13.10.2023	23.04.2025	100% completed
	2	Rehabilitation of Roads Vulindlela(Makhaye Road)	13.03.2024	11.08.2025	90% of 0.68km completed
	3	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed
Ward 6	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed
Ward 7	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed
Ward 8	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed
	2	Construction of Community Hall (Kwa Zondi)	11.06.2025	10.06.2026	Site Establishment
	3	Construction of Community Hall(Elandskop)			
Ward 9	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed
Ward 10	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 11	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 12	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 13	1	Shenstone Ambleton Sanitation System	10.06.2025	30.07.2026	Site Establishment
	2	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 14	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 15	1				
	2				
Ward 16	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 17	1	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A
Ward 18	1	Shenstone Ambleton Sanitation System	11.06.2025	30.07.2026	Site Establishment
	2	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 19	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 20	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 21	1	Rehabilitation of Dambuza Main Road	18.02.2025	19.01.2026	60% of 1.8km Completed
	2	Elimination of Conservancy Tanks	19.09.2023	10.10.2024	100% of construction completed
	3	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 22	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 23	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 24	1	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A
Ward 25	1	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A
Ward 26	1	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A
Ward 27	1	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A
Ward 28	1	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A
Ward 29	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 30	1	Ezinketheni Water Reticulation	17.11.2023	15.09.2025	95% of construction completed
	2	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 31	1	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A
Ward 32	1	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A
Ward 33	1	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A
Ward 34	1	Construction of Community Hall (Madiba)	14.05.2025	13.03.2026	Site Establishment
Ward 35	1	Darvill Sewer Outfall	07.06.2023	12.12.2025	75% of construction completed
Ward 36	1	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A
Ward 37	1	N/A	N/A	N/A	N/A
Ward 38	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed
Ward 39	1	Ncwadi Water Supply	30.11.2023	20.05.2025	100% of construction completed
	2	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed
Ward 40	1	Construction of Sport Field(Mkangala)	01.05.2024	30.06.2025	100% of construction completed
	2	Rehabilitation of Baleni Road	22.11.2024	24.10.2025	95% of 0.7km Completed
	3	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed
Ward 41	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed

APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2024/2025

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS
COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

That Item 17: Chief Financial Officer's Report be brought forward on the current agenda in order to allow the staff from the Budget and Treasury Business Unit to be released early to attend to a prior commitment with the mayor.

1. DECLARATION OF VESTED INTEREST FINANCIAL OR OTHERWISE IN MATTERS INCLUDED ON THIS AGENDA

(Item 4 on agenda)
There were no matters of vested interest raised on the current agenda.
NOTED.

2. CONFIRMATION OF MINUTES

Minutes of meeting held on 4 March 2025.
(Page 1 of agenda)

It was
RESOLVED

That the minutes of the Audit Committee meeting held on 4 March 2025 be CONFIRMED.

3. REPORT BY THE OFFICE OF THE AUDITOR-GENERAL

(Item 6 on agenda)

It was pointed out to the Manager: Auditor General South Africa that the mayor had requested a meeting with the Auditor-General to clarify the matter of the dispute that was raised by Msunduzi Municipality. The Committee was advised that the local media had reported the matter incorrectly in the local newspaper that the Municipality had submitted their Management Response to the Auditor-General late.

The Manager: Auditor-General South Africa undertook to follow up on the request for a meeting regarding the dispute lodged by Msunduzi Municipality and to provide Msunduzi Management with the appropriate feedback.

NOTED.

4. CONSOLIDATED REPORT BY THE CHIEF FINANCIAL OFFICER (ACTING) FOR THE MONTHS OF NOVEMBER 2024, DECEMBER 2024 AND JANUARY 2025 (REF: 3.10.1.1)

Reports dated 12 February 2025 by the Chief Financial Officer (Acting).
(Circulated separately on the Audit Committee agenda links)

The Municipal Manager (Acting) reported that the revenue collection initiatives were continuing effectively, and that the Revenue Enhancement Committee meetings were ongoing.

The Deputy Municipal Manager: Electricity Supply Services reported that the Revenue Unit submitted regular reports to the Electricity Supply Services Business Unit for electricity meters that needed replacement. He reported that because of resource constraints within the business unit, the Electricity Supply Services Unit was unable to respond to the replacement of electricity meters within the speed that they envisaged.

The Senior Manager: Revenue informed Committee that there was an improvement in the number of indigent applications that were received for the current 2024/2025 financial year. She indicated that the Revenue Unit had dispatched teams of officials from their unit to assist communities with registering for indigent status.

The Committee was advised that the Department of Public Works made a payment of approximately R 44 million over the months of April 2025 and May 2025, with an approximate balance of R 4million on their municipal debt owing to Council.

It was reported that the Department of Cooperative Governance and Traditional Affairs (CoGTA) had been approached to assist with outstanding debt owed by the Department of Education.

The Senior Manager: Financial Governance reported that journals were finalised in April 2025, and that 60% of the findings for all revenue issues were in the process of being addressed. He advised that the business unit required a separate meeting with the Auditor General Senior Management together with the Budget and Treasury Team. He expressed concern that the cut-off entries distorted certain information which was reported on. He pointed out that it was imperative that the issue of cut-off entries for the financial statements was agreed upon by the Office of the Auditor General and the business unit.

The Municipal Manager (Acting) acknowledged the work that had been undertaken for the automation of the System. She confirmed that a meeting would be convened with the Auditor General, Accountant General, together with the Budget and Treasury Team and the Audit Committee. She urged the Chief Financial Officer (Acting) to ensure assistance to the Team in improving the journal entries, as the process required a massive undertaking.

Audit Committee members sought clarity on whether there would be a data review in after the System goes live, in consideration of the System being not tested or reviewed. Clarity was also sough on whether the data was ready for use on the live System.

The Senior Manager: Expenditure reported that the System was tested by the Consultant. He indicated that the Budget and Treasury Teams needed to test the work that had been undertaken. He reported that the delay was with the proposed national increase to the Value Added Tax percentage, but that this has since been reversed. He confirmed that there was an Accountant assigned to do the testing prior to month end. He also added that the Financial Governance staff would be assisting the Revenue Team with the testing of the System to assist with the capacity issue within the Revenue Section.

The Committee was advised that the accountant positions would be advertised soon.

Regarding the testing of modules that were ready to go live, the Senior Manager: Expenditure reported that modules were tested individually, and that the testing was not an integrated process.

Audit Committee members urged the business unit to ensure that the testing environment was set up, and that testing must not be done in isolation from the user community's point of view on what modules would be on the live environment.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

The Senior Manager: Expenditure reported that in the absence of the System License, stress testing could not be undertaken. He subsequently confirmed that licenses were being procured.

The Municipal Manager (Acting) reported that Council had approved the access control Bio Matrix System for all municipal employees, noting that the controls for leave on the payroll were not effective.

In response to a query raised, it was pointed out that supervisors were not managing staff and not addressing absenteeism.
It was noted that the Security Contract was taken forward in legal action by the Municipality and the Special Investigating Unit.
It was thereafter
RESOLVED

(a) That the reports dated 12 February 2025 by the Chief Financial Officer for the months of November 2024, December 2024 and January 2025 be NOTED.
(b) That the Chief Financial Officer (Acting) compile a Revised Go Live Plan for MSCOA/SAP.
(c) That the Deputy Municipal Manager: Infrastructure Services compiles a report for the next meeting of the Audit Committee on the delays and issues on the projects that lead to the Conditional Grant Funding being retracted by National Treasury.

5. FINAL INTERNAL AUDIT REPORT ON PROJECT RISK ASSURANCE REVIEW ON SAP BPC AND IDP: BUDGET AND PLANNING (REF: 3.10.1.1)

Report dated 15 May 2025 by the Chief Audit Executive (Ref: ICT 4 OF 2024/2025).
(Page 207 of Committee Circular No.103 of 2025)

Audit Committee members thanked the Chief Audit Executive and the Consultant for the detailed and informative technical report. They urged Management to compile an action plan to urgently implement recommendations. It was stressed that there were critical findings detailed in the report.

The SAP Consultant (Orix Technologies) confirmed that they would submit a report on the findings that had been resolved. He confirmed that Mr Sipho Nxumalo was Msunduzi Municipality's appointed Project Manager for SAP.

It was subsequently
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

(a) That the project team either:
  i Engage the relevant user departments and obtain the anticipated number of users for the Business Planning and Consolidation (BPC) module.
  ii Estimate the user base with an additional potential user growth percentage.
  iii Engage the Information Communication Technology Unit to initiate the quotation and acquisition of applicable user licenses for the module.
(b) That the project team either:
  i Migrate the current required signatories to a user requirements document which will be followed by a blueprint document that will include a functional and technical design specification such that the purpose of the blueprint document is fully adhered to.
  ii include a section in the document that details the steps which will be undertaken to fulfil the completeness of the blueprint attributes and indicate that a functional and technical design specification will be finalized post acceptance of the blueprints. This would therefore imply multiple versions of the blueprint which will be approved via addendums to the signatories.
(c) That the project team includes the project structure on the document and further indicates the adopted System Applications in Data Processing (SAP) Development methodology. The development team must detail planned implementations to avoid ambiguity at delivery and stage gate level.
(d) That that the development team carry out the functional and technical design stage and incorporate this information into the blueprint document "Current Business Process" section.
(e) That the development team carry out the functional and technical design stage and incorporate this information into the blueprint document detailing the programs, tables integrations, transaction codes, interfaces, etc that will be involved in carrying out a specific task.
(f) That the development team engage with the System Applications in Data Processing (SAP) Basis and Authorizations team, to discuss the processes so as to map the desired user activities translating to user roles, authorization objects and applicable transaction codes that would inform the blueprint documents. This would need to be performed for each of the 8 blueprint documents as the roles may differ from one department to another.
(g) That the Basis Team ensure that in the absence of single sign on, new users are manually created on BW for each system user. The user list should then be utilized to estimate the number of users and enable the engagement with System Applications in Data Processing (SAP) for licensing.
(h) That as part of post Go Live support, user workflows, Segregation of Duties (SODs) and performance stress testing should be performed.
(i) That the Deputy Municipal Managers for Human Resources Management be engaged and sign off on behalf of the Human Resources Management department in the absence of a Senior Manager.
(j) The Senior Manager: Strategic Planning be engaged to sign off the Integrated Development Plan User Approval Testing.
(k) That the System Applications in Data Processing (SAP) PS module should be prioritized on the SAP reimplementation project to ensure that sponsored project revenue and expenditure is completely and accurately recorded.
(l) That the tester ensures that the result of each test carried out is indicated in the User Approval Testing sheet prior to sign off. Furthermore, an addendum to the User Approval Testing be included to indicate the outcome of the testing of the master data tables that were outstanding at the time of testing.
(m) That the development team ensure that debugging errors for the asset model are remedied to enable the user to independently execute the business process without consultant support.
(n) That the development team ensure that the enhancements are remedied to enable ease of use of the Human Resource Model prior to official Go Live.

6. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF FORESTRY MANAGEMENT: SUSTAINABLE DEVELOPMENT AND CITY ENTITIES (REF:3.10.1.1)

Report dated 2 April 2025 by the Chief Audit Executive (Ref: A06 of 2024/2025).
(Page 13 of agenda)

There was concern raised that the Forestry Management was not part of Risk Management. It was emphasised that Portfolio Committees and Council were not playing their oversight role to monitor the performance of municipal entities. It was requested that the Fruitless and Wasteful Expenditure emanating from poor controls at the Municipal Forest must be investigated.
It was

RESOLVED TO RECOMMEND TO THE FULL COUNCIL

(a) That Council invoke the provisions of the Supply Chain Management Policy with respect to service provider performance evaluation against the conditions stipulated in the Service Level Agreement between Msunduzi Municipal and the service provider namely South African Forestry Company SOC Limited (SAFCOL), and that this be done in view of the reported losses and continued failure to submit obligated financial information to the Municipality.
(b) That Council in conjunction with the Deputy Municipal Manager: Sustainable Development and City Entities assess and evaluate the viability of the current Forestry Management Model and contract with SAFCOL and determine if any prospects exist for any return on investment with due cognizance of the longevity nature of the forest industry as well as the cost versus benefit to the Msunduzi Municipality. If considered viable, the Deputy Municipal Manager: Sustainable Development and City Entities develop a turn-around strategy for Forestry to ensure achievement of the Forestry service delivery objectives.
(d) That in conjunction with recommendation (a) above, Council in conjunction with the Accounting Officer and Deputy Municipal Manager: Sustainable Development and City Entities, urgently put measures in place to address the control deficiencies noted to ensure that there is effective project management of the SAFCOL forestry management contract by Msunduzi.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS
COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

(c) That Council and the Accounting Officer and Deputy Municipal Manager: Sustainable Development and City Entities consider alternative ways to formalise the use of the Cascades Mountain Biking as a potential source of income, including regulating the use of the road infrastructure. The income realised from this potential source could be used to maintain the road infrastructure.
(d) That Council in conjunction with the Accounting Officer and Deputy Municipal Manager: Sustainable Development and City Entities and Deputy Municipal Manager: Corporate Services expedite the review of the 2023 structure in the quest to capacitate the Forester position.
(e) That the Deputy Municipal Manager: Sustainable Development and City Entities ensure that the Msunduzi Forestry Policy is reviewed and submitted to Council for approval.
(f) That the Deputy Municipal Manager: Sustainable Development and City Entities in conjunction with Municipal Manager and Chief Risk Officer ensure that an institutional Risk Assessment which covers all business units including Forestry.
(g) That the Accounting Officer ensures that Fruitless and Wasteful Expenditure relating to fees paid for the development of the Forestry Policy be included in the Annual Financial Statement and be investigated in line with Municipal Finance Management Act Circular No.68.

7. FINAL INTERNAL AUDIT REPORT ON THE FOLLOW-UP AUDIT ON PROJECT MANAGEMENT UNIT (REF:3.10.1.1)

Report dated 2 April 2025 by the Chief Audit Executive (Ref: Fu7 of 2024/205).
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Audit Committee members requested that the Business Unit investigate how Project Management Units were administered at other high performing municipalities around the country and urged the Deputy Municipal Manager: Infrastructure Services to ensure that he introduced customized templates to that of the Msunduzi Municipality Project Management Environment.

The Deputy Municipal Manager: Infrastructure Services reported that he would follow through with the Senior Manager: Project Management Office (Acting) on the reason for his refusal to compile a Standard Operating Procedures and Policy for the Project Management Office and instead opt to make use of the Division of Revenue Act, 2008 (Dora) Guidelines.

It was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the report dated 2 April 2025 by the Chief Audit Executive (Ref: Fu7 of 2024/2024) detailing the Final Internal Audit Report on the Follow-Up Audit on the Project Management Unit be APPROVED and that the Accounting Officer and the Deputy Municipal Manager: Infrastructure Services ensure the implementation of the following:-
(a) That unless the resolution passed by the Full Council at its meeting held on 6 March 2018 is RESCINDED, the Accounting Officer needs to ensure that all Municipal officials work together to achieve the operational structure as approved by the Council.
(b) That the Operational Policy and Standard Operating Procedures that adhere to Municipal Infrastructure Grant Framework and the Project Management Unit Guidelines and cover all relevant areas of implementation of Municipal Infrastructure Grant (MIG) funding, be DEVELOPED and be IMPLEMENTED by the Senior Manager: Project Management Unit (Acting).
(c) The Accounting Officer and Deputy Municipal Manager: Infrastructure Services increase the staffing capacity within the Project Management Unit.
(d) That annual business plans and project implementation plans be submitted as per the Department of Cooperative Governance and Traditional Affairs (CoGTA) requirements.
(e) That all submissions be duly signed and dated.
(f) That the Deputy Municipal Manager: Infrastructure Services introduces an Acknowledgement of Receipt (Transmittal Letter) on all submissions.
(g) That all relevant parties involved in Municipal Infrastructure Grant (MIG) projects be urged to fully comply with MIG claims requirements.
(h) That the Project Management Unit be resourced as per the Project Management Unit Guidelines and operational needs.
(i) That the revised Organizational Structure which is more aligned to the Project Management Unit Guidelines and operational needs be APPROVED and be IMPLEMENTED.
(j) That a reasonable budget be allocated for appropriate and critical training for the Project Management Unit.
(k) That adequate planning be performed by Project Champions at the beginning of the financial year to ensure that Conditional Grants are fully utilized and any underspending spending is tracked and remedied timeously.
(l) That Cash Flows be performed and approved by Management which adequately covers the amount and timing of Conditional Grants.
(m) That the Accounting Officer implement effective performance management of Project Champions, Senior Managers and Deputy Municipal Managers and that a performance mechanism be implemented for poor performance.
(n) That the Accounting Officer implement Consequence Management against officials that have caused underspending and withholding or stoppage of the Water Services Infrastructure Grant due under performance.

8. FINAL INTERNAL AUDIT REPORT ON AD-HOC AUDIT ON LEAVE MANAGEMENT (REF:3.10.1.1)

Report dated 14 April 2025 by the Chief Audit Executive.
(Page 13 of agenda)

It was
RESOLVED

That the report dated 14 April 2025 detailing the Final Internal Audit Report on the Ad-Hoc Audit on Leave Management be WITHDRAWN from the current agenda of the Audit Committee.

9. CONSOLIDATED REPORT BY THE MUNICIPAL MANAGER (ACTING)

Report dated 22 April 2025 by the Municipal Manager (Acting).
(Circulated separately on the Audit Committee agenda links)

It was
RESOLVED

That the report dated 22 April 2025 by the Municipal Manager (Acting) for the Quarter ending March 2025 comprising of the following reports be NOTED: -
(a) Financial Recovery Plan Report to Council for February 2025 dated 30 April 2025 by the Municipal Manager (Acting),
(b) Service Delivery and Budget Implementation Plan dated 22 April 2025 by the Senior Manager
(c) Safe City Public Safety Report for April 2025 by the Manager: Safe City Entity and
(d) Information Communication Technology Report dated 4 April 2025 by the Deputy Municipal Manager.

10. OUTSTANDING MATTER: PROGRESS REPORT ON THE AUDIT COMMAND LANGUAGE (ACL) ACQUISITION AND IMPLEMENTATION (REF: 4.2.1)

Report dated 31 March 2025 by the Deputy Municipal Manager: Corporate Services.
(Page 106 of agenda)

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In response to a query raised, the Senior Manager: Information Communication Technology (ICT) reported that the Audit Command Language (ACL) Acquisition implementation was delayed going live. He reported that it was anticipated that staff would be trained on the ACL Tool by the end of June 2025.
It was
RESOLVED

That the report dated 31 March 2025 by the Deputy Municipal Manager: Corporate Services be detailing progress on the Audit Command Language (ACL) Acquisition and Implementation be NOTED.

11. INFORMATION COMMUNICATION TECHNOLOGY (ICT) STRATEGY: PROJECT ROADMAP 2021-2025 (REF: 5.1.2.3)

Report dated 1 April 2025 by the Deputy Municipal Manager: Corporate Services.
(Page 110 of agenda)

Audit Committee members sought confirmation on alternate energy sources for the Municipal Data Centre such as solar or battery power.

The Senior Manager: Information Communication Technology (ICT) confirmed that there was no Energy Strategy for the Data Centre at present. He explained that the business unit was currently addressing the primary basic need of replacing old ICT infrastructure. He indicated that solar power was not in place, but that the business unit would engage with the Electricity Supply Services Unit. He reported that there was ample battery power for the Uninterrupted Power Supply System (UPS). The Senior Manager: ICT further explained to the Committee that there were numerous data centres; with 60% data centres which were backed up on the Cloud Systems and 40% of the system was operated manually.

Clarity was sought on the expected date of completion for projects that were reflected as “ongoing”. In addition to this, confirmation was requested on the availability of sufficient funding to complete these projects.

Responding to a query, the Senior Manager ICT reported that projects had different implementation dates. He mentioned that the projects which did not commence were as a result of a lack of funding.

The business unit undertook to include in its next report to the Audit Committee, an update on all vacancies that had been filled.

It was
RESOLVED

That the report dated 1 April 2025 by the Deputy Municipal Manager: Corporate Services be detailing the Information Communication Technology (ICT) Strategy Project Roadmap 2021 to 2025 be NOTED.

12. INFORMATION COMMUNICATION TECHNOLOGY (ICT) PROGRESS REPORT (JANUARY 2025 TO MARCH 2025): ACTION PLAN FINDINGS OF THE PRIOR YEAR 2021/2022 (REF:2.2.3.2.1)

Report dated 4 April 2025 by the Deputy Municipal Manager: Corporate Services.
(Page 116 of agenda)

Concern was expressed over the outstanding findings from the 2021/2022 financial year.

Audit Committee members extended their availability to assist the business unit with resolving the previous year findings.

The Committee was notified that the Centralised Call Centre Project which was scheduled to go live in March 2025 had been delayed. It was advised the revised go live date for the Call Centre would be communicated before the end of June 2025.

It was
RESOLVED

That the report dated 4 April 2025 by the Deputy Municipal Manager: Corporate Services on the Information Communication Technology (ICT) Progress Report for January 2025 to March 2025 Action Plan Findings for the prior year 2021/2022 be NOTED.

That implementation dates be reflected on all Audit Action Plans.

13. INFORMATION COMMUNICATION TECHNOLOGY (ICT) PROGRESS REPORT (JANUARY 2025 TO MARCH 2025): ACTION PLAN FINDINGS OF THE PRIOR YEAR 2022/2023 (REF:2.2.3.2.1)

Report dated 4 April 2025 by the Deputy Municipal Manager: Corporate Services.
(Page 120 of agenda)

It was
RESOLVED

That the report dated 4 April 2025 by the Deputy Municipal Manager: Corporate Services Information Communication Technology (ICT) on the Progress Report for January 2025 to March 2025 Action Plan Findings for the prior year 2022/2023 be NOTED.

14. REPORT ON THE RISK MANAGEMENT OPERATIONAL PLAN FOR 2024/2025 FINANCIAL YEAR (3.10.2.5)

Report dated 30 January 2025 incorporating recommendations of the Risk Management Committee.

(Page 1 of Committee Circular No. 81 of 2025)

It was
RESOLVED

That the Risk Management Operational Plan for the 2024/2025 Financial Year as detailed in the report dated 30 January 2025 be APPROVED.

15. REPORT ON THE APPOINTMENT OF THE MEMBERS OF RISK MANAGEMENT STRUCTURES (3.10.2.5)

Report dated 30 January 2025 incorporating recommendations of the Risk Management Committee.
(Page1 of Committee Circular No. 81 of 2025)

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It was
RESOLVED

That the report dated 30 January 2025 incorporating recommendations of the Risk Management Committee on the Appointment of Member of the Risk Management Structures, Members of the Risk Management Committee and Risk Champions be APPROVED.

16. REPORT ON THE OUTCOME OF THE MSCOA/SAP RE-IMPLEMENTATION RISK ASSESSMENT (REF: 3.10.2.5)

Report dated 30 January 2025 incorporating recommendations of the Risk Management Committee
(Page 23 of Committee Circular No. 81 of 2025)

It was
RESOLVED

That the report dated 10 April 2025 by the Chief Risk Officer on the outcome of the MSCOA/SAP re-implementation risk assessment be NOTED.

That the Chief Risk Officer incorporates the mSCOA Risk Register into the main register.

17. STATUS REPORT ON THE PROGRESS ON THE IMPLEMENTATION OF THE RISK MANAGEMENT OPERATIONAL PLAN (REF:3.10.2.5)

Report dated 22 April 2025 incorporating recommendations of the Risk Management Committee
(Page 28 of Committee Circular No. 81 of 2025)

It was
RESOLVED

(a) That the report dated 10 April 2025 by the Chief Risk Officer on the progress on the implementation of the Risk Management Operational Plan be NOTED.
(b) That the proposed amendments to the Risk Management Operational Plan be APPROVED.

18. REPORT ON THE PROGRESS OF RISK CHAMPIONS MEETINGS (REF: 3.10.2.5)

Report dated 22 April 2025 incorporating recommendations of the Risk Management Committee
(Page 43 of Committee Circular No. 81 of 2025)

It was
RESOLVED

That the developments and corrective measures undertaken by the Accounting Officer as detailed in the report dated 22 April 2025 incorporating recommendations of the Risk Management Committee be NOTED.

19. STATUS PROGRESS REPORT ON THE ROLL-OUT OF THE TRAINING ON RISK MANAGEMENT FRAMEWORK (REF: 3.10.2.5)

Report dated 22 April 2025 incorporating recommendations of the Risk Management Committee
(Page 49 of Committee Circular No. 81 of 2025)

It was
RESOLVED

(a) That the report dated 9 April 2025 by the Chief Risk Officer on the status progress report on the roll out of the training on Risk Management Framework be NOTED.
(b) That the remaining Business Units contacts the Chief Risk Officer for training to be undertaken.

20. FINAL INTERNAL AUDIT REPORT ON THE HIGH-LEVEL REVIEW OF THE 2023/2024 SAFE CITY ANNUAL REPORT (REF:3.10.1.1)

Report dated 6 May 2025 by the Chief Audit Executive (Ref: AoPI 6(b) of 204/2025).
(Page 1 of Committee Circular No. 92 of 2025)

It was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

(a) That it be NOTED that the Accounting Officer of a municipal entity must, within six months after the end of the financial year, or on such an earlier date as may be agreed between the Entity and its parent Municipality, submit the Entity's Annual Report for the financial year to the Municipal Manager of the entity's parent Municipality.
(b) That the Municipal Manager and Deputy Municipal Manager: Sustainable Development and City Entities ensure adherence to the Municipal Finance Management Act 2003 by having the mayor table the Annual Report to the Municipal Council, as required/stipulated by Section 127(2) of the Act.
(c) That Performance Agreements must be prepared and approved by Deputy Municipal Managers in terms of the approved Performance Management Policy.
(d) That the Municipal Council enforces Consequence Management in instances where Performance Agreements were not prepared on time.
(e) Performance assessments conducted without a signed Performance Agreement must be reviewed to ensure fairness and accuracy. Where necessary, reassessments must be conducted based on properly established agreements.

21. REVIEW OF INTERNAL AUDIT UNIT STRUCTURE (3.10.1.1)

Report dated 12 May 2025 by the Chief Audit Executive (Ref: IAU1 of 2024/2025).
(Page 22 of Committee Circular No. 92 of 2025)

It was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

(a) That Council notes the inadequacies of the current Internal Audit Unit structure which makes it unable to effectively and efficiently fulfil its obligations and responsibilities as required by Section 165 of the Municipal Finance Management Act, 2003 (MFMA), King IV Report on Corporative Governance, Global Internal Audit Standards and the National Treasury Guidelines revised at its Global Internal Audit Standards issued in 2024.
(b) That Council supports the Internal Audit Activity as the one of critical vehicles to drive change and improvement in the governance, risk management and system of internal control as enjoyed by Section 165 of the Municipal Finance Management Act, 2003 to enhance, protect and promote service delivery.
(c) That the Internal Audit Unit Structure detailed in the report dated 12 May 2025 by the Chief Audit Executive (Ref: IAU1 of 2024/2025) be APPROVED and be adopted by Council.

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22. RISK MANAGEMENT COMMITTEE QUARTER 3 OF 2024/2025

Report dated 13 May 2025 by the Chairperson of the Risk Management Committee
(Page 40 of Committee Circular No. 92 of 2025)

Following brief discussion, it was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the report dated 13 May 2025 by the Chairperson of the Risk Management Committee on the Risk Management Committee Quarter 3 Reporting of the 2024/2025 period be NOTED.

23. REPORT TO THE AUDIT COMMITTEE ON THE STATUS UPDATE ON THE IMPLEMENTATION OF THE 2024/2025 ANNUAL AUDIT PLAN (REF:3.10.1.1)

Report dated 13 May 2025 by the Chief Audit Executive (Ref: SU No. 5 of 2024/25).
(Page 1 of Committee Circular No.103 of 2025)

It was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

(a) That the Status of the Implementation of the Annual Internal Audit Plan for the 2024/25 financial year and which includes internal audits that were planned for the 2023/2024 financial year but could not be completed for reasons disclosed in all ordinary meetings of the Audit Committee, as detailed in the report dated 13 May 2025 by the Chief Audit Executive (Ref: SU No. 5 of 2024/25) be NOTED.
(b) That the challenges facing the Internal Audit Unit, as reported to the Audit Committee in its all-ordinary meetings and detailed in the report dated 13 May 2025 by the Chief Audit Executive (Ref: SU No. 5 of 2024/25) be NOTED.
(c) That the proposed changes made in the Annual Plan for the 2024/2025 financial year be APPROVED.
(d) That the Municipal Manager be urged to give priority to resolving the challenge of office space within the Municipality and the filling of Internal Audit vacant posts.

24. FINAL INTERNAL AUDIT REPORT ON THE FOLLOW-UP AUDIT ON THE MUNICIPAL FRESH PRODUCE MARKET (3.10.1.1)

Report dated 13 May 2025 by the Chief Audit Executive (Ref: FuA4 of 2024/2025).
(Page 10 of Committee Circular No.103 of 2025)

It was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the report dated 13 May 2025 by the Chief Audit Executive (Ref: FuA4 of 2024/2025) considering the Final Internal Audit Report on the Follow-up Audit on the Municipal Fresh Produce Market be APPROVED and that the Accounting Officer and the Deputy Municipal Manager: Sustainable Development and City Entities ensure the implementation of the following:-

(a) That New Application Forms be completed for all credit buyers and details updated.
(b) That Market Management request credit buyers to complete New Application Forms.
(c) That Market Management ensure that the Credit Application Forms are duly completed and signed.
(d) That Management establish document retention procedures to provide guidance on the maintenance of documents.
(e) That Management ensure that all necessary documentation be adequately maintained for future references.
(f) That Management ensure an investigation exercise be undertaken and institute appropriate recovery or a write-off process.
(g) That Consequence Management to be implemented for non-compliance with the Manual with regards to credit sales/bank guarantees.
(h) That the Accounting Officer and Deputy Municipal Manager: Community Services consider the additional budget provided to the Market to repair the compressors of the facilities that are not operational.
(i) That Management ensure that the facilities are regularly serviced by an accredited technician.
(j) That Management ensure that transactions are loaded on the banking system and released for payments on a daily basis.
(k) That Management strengthen supervisory control over opening and monitoring of buyers' accounts.
(l) That Management undertake an investigation and resolve the credit balances. Appropriate recovery or a write-off process should be undertaken thereafter.
(m) That Management ensure that there be appropriate and sufficient audit evidence to support the recovery or write-off process.
(n) That Management consider eliminating the cash system used for trolley hire and hiring of trolley to be paid via buyers' card.
(o) That Management strengthen supervisory control over hiring of trolleys.
(p) That a full investigation exercise be undertaken by the office of Chief Audit Executive to establish whether there is misappropriation of cash.
(r) That Management strengthen supervisory control over safekeeping of trolleys.
(s) That Management ensure that at least one (1) security guard is posted at the Market at all times.
(t) That New application forms be completed for all credit buyers and updated details.
(u) That Management request credit buyers to complete new application forms.
(v) That Management ensure that the credit application forms are duly completed and signed.
(w) That Management establishes Document Retention Procedures to provide guidance on the maintenance of documents.
(x) That Management ensure that all necessary documentation be adequately maintained for future references.
(y) That the Deputy Municipal Manager: Sustainable Development and City Entity and Senior Manager: City Entities in consultation with the Deputy Municipal Manager: Corporate Service and Senior Manager: Human Resources initiate the process of appointing a qualified Market Inspector as per the approved organizational structure.
(z) That the Deputy Municipal Manager: Sustainable Development and City Entities and Manager: Market revise the outdated lease agreements to align with the latest norms and standards.
(aa) That the Deputy Municipal Manager: Sustainable Development and City Entities and Manager: Market conduct regular reviews of the lease register to identify expiring lease agreements and ensure timely lease renewals.
(bb) That the Deputy Municipal Manager: Sustainable Development and City Entities and Manager: Market ensure that all lease agreements are valid and be duly signed by both the tenants and the Municipal Representative.
(cc) That the Deputy Municipal Manager: Sustainable Development and City Entities and Manager: Market review rental rates charged to tenants regularly to ensure that they are market related.
(dd) That the Deputy Municipal Manager: Sustainable Development and City Enterprises and Manager: Market conduct an annual update and review of the System Application and Products in Data Processing (SAP) to ensure that escalation rates are applied correctly.
(ee) That the Manager: Market ensures that Siyamthanda Feeds be added on System Application and Products in Data Processing (SAP) to facilitate accurate billing.
(ff) That the Deputy Municipal Manager: Sustainable Development and City Entities and Manager: Market draft a formal and valid lease agreement between Siyamthanda Feeds and the Municipality to ensure the enforcement of a legally binding document.
(gg) That the Manager: Market with the assistance of the Senior Manager: Revenue follow-up on overdue rent payments and apply interest charges where possible.
(hh) That the Deputy Municipal Manager: Sustainable Development and City Entities instruct the Senior Manager: City Entities and Market Manager, to stop the practice of providing staff with soap with immediate effect.
(ii) That the Manager: Stores and Logistics performs monthly reconciliation between Fuel Master and System Application and Products in Data Processing (SAP) reports.
(jj) That the Principal Accountant signs the system printout of the corrections/ journals posted in Freshmark as evidence of review.

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(kk) That the Manager: Market performs thorough reviews of daily reconciliations to ensure differences are discovered and corrected timely.
(ll) That the Manager Market performs meaningful reviews by ensuring that unreconciled items are followed up and cleared timely.
(mm) That the Deputy Municipal Manager: Sustainable Development and City Entities and Manager: Market and review the Policy and Procedure Manual to ensure alignment with the current approved organizational structure.
(nn) That the Deputy Municipal Manager: Sustainable Development and City Entities and Manager: Market ensure that all the job titles and roles referenced in the procedure manual correspond with those formally recognized by the Municipality.
(oo) That the Manager: Market ensures that the applicable annexures for the recovery of shortage funds are put in use as per the approved policy and procedure manual.
(pp) That the Manager: Markets conduct regular follow ups for unpaid shortages and consequence management implemented for long outstanding shortages.
(qq) That the Deputy Municipal Manager: Sustainable Development and City Entities and Manager: Market ensure that a staff debtors account be created and maintained to accurately record, monitor, and facilitate the recovery of monies owed by staff members. This account will enhance transparency and accountability and allow for more effective tracking and follow-up of outstanding amounts related to shortages and other staff-related recoveries.
(rr) That the Deputy Municipal Manager: Sustainable Development and City Entities and the Manager: Market review the Policy and Procedure Manual to ensure that the filing system process is documented and results in simplicity, accessibility, organization, consistency, and security of filed documents.
(ss) The Deputy Municipal Manager: Sustainable Development and City Entities and the Manager: Market ensure that the internal audit tracker is completed on a quarterly basis and submitted to the Audit Committee, Sustainable Development and City Entities Portfolio Committee and Council detailing progress made in the implementation of recommendations of internal audit unit and agreed action plan.

25. FINAL INTERNAL AUDIT REPORT ON HIGH LEVEL REVIEW OF THE 2023/2024 ANNUAL REPORT: ORGANISATIONAL, COMPLIANCE, KNOWLEDGE AND PERFORMANCE MANAGEMENT: OFFICE OF THE MUNICIPAL MANAGER (REF: 3.10.1.1)

Report dated 14 April 2025 by the Chief Audit Executive (Ref: AoPI (A) of 2023/24).
(Page 113 of Committee Circular No.103 of 2025)

It was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

(a) That the Deputy Municipal Mangers of each Business Unit implement a comprehensive review process of information submitted as the Annual Report is intended for the external stakeholders, so information submitted from Business Units should undergo thorough review and quality assurance processes to ensure credibility of the Information reported on the Annual Report.
(b) That the Deputy Municipal Mangers of each Business Unit apply thorough proofreading and editing to ensure accuracy and clarity then the Senior Managers sign off.
(c) That the Oversight Committee ensure that the business units comply with the Municipal Finance Management Act requirements, and the template issued by the Organizational, Compliance, Knowledge and Performance Management Unit in reporting of Performance Information.
(d) That the Oversight Committee ensures that findings and recommendations made by the Internal Audit Unit are considered.
(e) That the Oversight Committee establish a formal process to review and direct the Accounting Officer and Deputy Municipal Mangers to respond to Internal Audit Unit findings before this process is concluded. This process must ensure that all relevant audit issues are discussed during committee meetings and that appropriate follow-up actions are documented and implemented.
(f) That the Senior Manager: Strategy ensures that the draft Annual Report is published on the website as per the timeframe outlined in the National Treasury Circular 63 of the Municipal Finance Management Act.
(g) That the Office of the Chairperson of Municipal Public Accounts Committee ensures that the draft Annual Report is distributed to satellite offices as per the timeframe outlined in the National Treasury Circular 63 of the Municipal Finance Management Act.
(h) That the Office of the Chairperson of Municipal Public Accounts Committee ensures that the invitation to the public to make representations on the Annual Report is placed after the copy of the Annual Report is published and distributed to all satellites offices.
(i) That the Office of the Chairperson of Municipal Public Accounts Committee ensures that copies of the Annual Report are published (made available to the public) and that the written submissions by the local community are addressed at the Council meeting.
(j) That the Manager: Organizational Compliance, Performance and Knowledge Management, ensures that they work closely with Business Units and consult accordingly to obtain accurate, updated information and incorporate it into the Annual Report.
(k) That the Manager: Organizational Compliance, Performance and Knowledge Management introduce a review process to verify that all required sections of the Annual Report, including backlog reporting, are completed with relevant and accurate information prior to submission.

(The main agenda was concluded, and at this point in the proceedings, the Committee concurred that due to time constraints, the Confidential items be DEFERRED to the next meeting of the Audit Committee).

CONFIDENTIAL: NOT FOR PUBLICATION

26. CONFIRMATION OF MINUTES

Minutes of confidential meeting held on 4 March 2025.
(Page 1 of Confidential Committee Circular No. 22 of 2025)

Due to time constraints, it was
RESOLVED

That the item considering the confirmation of the confidential minutes of the Audit Committee meeting held on 4 March 2025 be DEFERRED to the next meeting.

27. CONFIDENTIAL: OUTSTANDING MATTER: PROGRESS REPORT ON THE EXTERNAL INVESTIGATION ON THE PROCUREMENT OF VEHICLES FROM MPOFANA MUNICIPALITY (REF:5.1.3.5)

Report dated 18 March 2025 by the Deputy Municipal Manager: Community Services Acting.
(Page 16 of agenda)

Due to time constraints, it was
RESOLVED

That the report dated 18 March 2025 by the Deputy Municipal Manager: Community Services Acting considering the progress report on the External Investigation on the Procurement of Vehicles from Mpofana Municipality be DEFERRED to the next meeting.

28. DISCIPLINARY CASES CONSEQUENT MANAGEMENT PROGRESS REPORT COUNCIL REPORTING AS AT 28 FEBRUARY 2025 (REF: 4.1.4.1)

Report dated 28 February 2025 by the Deputy Municipal Manager: Corporate Services.
(Page 1 of Confidential Committee Circular No. 21 of 2025)

Due to time constraints, it was
RESOLVED

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That the report dated 28 February 2025 by the Deputy Municipal Manager: Corporate Services the progress on the Disciplinary Cases Consequence Management Report as of 28 February 2025 be DEFERRED to the next meeting.

29. DISCIPLINARY CASES CONSEQUENT MANAGEMENT PROGRESS REPORT COUNCIL REPORTING AS AT 31 MARCH 2025 (REF: 4.1.4.1)

Report dated 31 March 2025 by the Deputy Municipal Manager: Corporate Services.
(Page 51 of Confidential Committee Circular No. 21 of 2025)

Due to time constraints, it was
RESOLVED

That the report dated 31 March 2025 by the Deputy Municipal Manager: Corporate Services considering the progress on the Disciplinary Cases Consequence Management Report as of 31 March 2025 be DEFERRED to the next meeting.

30. CONFIDENTIAL: LEGAL AUDIT ACTION PLAN PROGRESS 2022/2023 FINANCIAL YEAR (REF:1.4.2)

Report dated 3 April 2025 by the Deputy Municipal Manager: Corporate Services.
(Page 103 of Confidential Committee Circular No. 21 of 2025)

Due to time constraints, it was
RESOLVED

That the report dated 3 April 2025 by the Deputy Municipal Manager: Corporate Services on the Legal Audit Action Plan Progress for the 2022/2023 Financial Year be DEFERRED to the next meeting.

31. DISCIPLINARY CASES CONSEQUENCE MANAGEMENT PROGRESS REPORT COUNCIL REPORT (REF:4.1.4.1)

Report dated 30 April 2025 by the Deputy Municipal Manager: Corporate Services.
(Page 1 of Confidential Committee Circular No. 25 of 2025)

Due to time constraints, it was
RESOLVED

That the report dated 30 April 2025 by the Deputy Municipal Manager: Corporate Services on the Disciplinary Cases Consequence Management Progress Report be DEFERRED to the next meeting.

MEETING HELD IN THE SECOND FLOOR BOARDROOM, HARRY GWALA STADIUM,
ON TUESDAY, 4 MARCH 2025 AT 09:00.

It was
RESOLVED

That the current Audit Committee agenda be confirmed with no additional items.

32. DECLARATION OF VESTED INTEREST FINANCIAL OR OTHERWISE IN MATTERS INCLUDED ON THIS AGENDA

(Item 4 on agenda)

There were no declarations of vested interest raised on the current agenda.

NOTED.

33. CONFIRMATION OF MINUTES

4.1 Minutes of meeting held on 10 December 2024.

(Page 1 of agenda)

It was
RESOLVED

That the minutes of the Audit Committee meeting held on Tuesday, 10 December 2024 be CONFIRMED.

4.2 Minutes of special meeting held on 17 December 2024.

(Page 35 of agenda)

It was
RESOLVED

That the minutes of the Audit Committee special meeting held on Tuesday, 17 December 2024 be CONFIRMED.

4.3 Minutes of meeting held on 21 January 2025

(Pages 1 to 38 of agenda)

It was
RESOLVED

That the minutes of the Audit Committee meeting held on Tuesday, 10 December 2024 be CONFIRMED.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

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34. REPORT BY THE OFFICE OF THE AUDITOR GENERAL

(Item 6 on agenda)

It was reported that the Draft Audit Outcomes would be presented to Council on Wednesday, 5 March 2025. The Office of the Auditor General were thanked for their feedback.

NOTED.

35. REPORT TO THE AUDIT COMMITTEE ON THE STATUS UPDATE ON THE IMPLEMENTATION OF THE 2024/2025 ANNUAL AUDIT PLAN (REF: 3.10.1.1)

Report dated 21 February 2025 by the Chief Audit Executive (Ref: SU No. 4 of 2024/2025).
(Page 1 of Committee Circular No.32 of 2025)

The Committee was made aware of the two resignations that occurred within the Internal Audit Unit.

Audit Committee members indicated that the success of the Internal Audit Unit and the Audit Committee depended on certain issued raised in this report, such as the high resignation rate of staff within the Internal Audit Unit, lack of working laptops for staff within the Unit, as well as safety issues at the municipal premises that house the Internal Audit Unit.

The Chairperson of the Audit Committee emphasized that these issues impacted and directly limited the scope of the Audit Committee.

It was noted that the cashflow shortage within the Municipality placed a heavy financial strain on the payment of service providers, which affected the Unit's performance in respect of the Annual Audit Plan.

Referring to the safety issues at the Municipal Gallway Building, Committee members took note of the fact that the Municipal Manager (Acting) had expeditiously arranged for an additional armed security officer.

It was
RESOLVED TO RECOMMEND TO FULL COUNCIL

(a) That the Status of the Implementation of the Annual Internal Audit Plan for the 2024/2025 Financial Year, as detailed in the report 21 February 2025 by the Chief Audit Executive (Ref: SU No. 4 of 2024/2025), which includes the internal audits that were planned for the 2023/2024 Financial Year but could not be completed for reasons disclosed in all ordinary meetings of the Audit Committee be NOTED.
(b) That the challenges facing the Internal Audit Unit, which could not be completed for reasons provided in reports to the Audit Committee in its all-ordinary meetings be NOTED.
(c) That the proposed changes made in the Annual Plan for the 2024/2025 be APPROVED.
(d) That Municipal Manager (Acting) give priority to resolving the Collapse of Record Management in the Municipality.
(e) That the Municipal Manager (Acting) give priority to resolving the challenge of office space in the Municipality and the Filling of Internal Audit vacant posts.
(f) That Municipal Manager (Acting) give priority to resolving the challenge of safety issues such as the theft of vehicle headlights, other vehicle badges and accessories, burglary to vehicles of staff working from Gallwey House, etc. which is where the Internal Audit Unit is housed.

36. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF THE SOURCE INFORMATION USED TO CALCULATE THE FINAL WATER AND ELECTRICITY LOSSES FOR THE 2021/2022 AND 2023/2024 FINANCIAL YEARS (REF: 3.10.1.1):

Report dated 25 February 2025 by the Chief Audit Executive (Ref: A07 of 2024/2025
(Page 1 of Committee Circular No.32 of 2025)

In regard to Water Losses, it was noted that the Annual Water Meter Calibrations for the 2021/2022 and 2023/2024 financial year were not performed. Therefore, the Water Invoices could not be confirmed for the correct amounts received and purchased accordingly.

The structural damage to the Claridge Reservoir Tank, which had numerous water leaks in various areas below the surface which resulted in distorted Water Loss Calculations was noted with concern.

In addition to this, it was reported that the Lower Glen Meter Room was flooded, with the water meter being inaccessible; and consequently, the meter could not be read at the time the Bulk Meter Verification was conducted by the Internal Audit Unit.

In terms of Losses for Electricity, the Committee was notified that there were discrepancies between the billing quantities of the Eskom invoice and Eskom Billing Report for the month of June 2022 resulting in overbilling and fruitless wasteful expenditure of R27 414.87 being incurred by the Municipality.

Audit Committee expressed their utter dismay over the lack on internal controls, checks and balances by Management which was costing the Municipality to bleed in revenue. Members indicated that Management acted in such a way as if they were spoilt rich kids who had enough money to waste.

The Deputy Municipal Manager: Infrastructure Services provided the Audit Committee with an assurance that the Business Unit set a target date for the end of 2025 to address the curtailment, and implement proper checks and balances for all reservoirs, and bulk meters with available budget to do so. He informed the Committee that the Water Unit was certain that Umngeni-uThukela Water was over charging the Msunduzi Municipality for the supply of water.

Audit Committee members accepted the feedback by Management. But indicated that that the situation of water losses and lack of reconciliations on the Umngeni-uThukela Water Invoices to Msunduzi Municipality was unacceptable as the Municipality was leaking much needed revenue streams.

Committee members reprimanded Management for not actioning the recommendations of the Internal Audit Unit and emphasized that the situation could have been easily prevented if Management had implemented the Internal Audit findings.

It was
RESOLVED TO RECOMMEND TO FULL COUNCIL

That the report dated 25 February 2025 by the Chief Audit Executive (Ref: A07 of 2024/2025) considering the Final Internal Audit Report on the Audit of the Source Information used to calculate the Final Water and Electricity Losses for the 2021/2022 and 2023/2024 Financial Years be APPROVED and that the Accounting Officer (Acting) and the Deputy Municipal Manager: Infrastructure Services and Deputy Municipal Manager: Electricity Supply Services ensure the implementation of the following recommendations:-

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

(a) That the Deputy Municipal Manager: Infrastructure Services ensure appropriate measures be taken to enforce the Implementation of Clause 34 of the Bulk Water Supply Contract between Msunduzi Local Municipality and Umgeni and notify Umgeni-uThukela Water of the breach of the agreement and implement corrective measures.
(b) That the Deputy Municipal Manager: Infrastructure Services implement procedures to follow up on outstanding Bulk Meter Calibration reports and ensure that such reports are reviewed by the Deputy Municipal Manager: Infrastructure Services and the relevant officials from the Water Unit and Umngeni-uThukela Water, ensuring that corrective measures be undertaken where applicable.
(c) That the Accounting Officer ensure appropriate measures are taken to ensure that Senior Managers Act with reasonable care when exercising Financial Management responsibilities in line with the Municipal Finance Management Act of 2003.
(d) That the Accounting Officer ensure that monthly or quarterly meetings be convened to Review the Performance of both parties in the Agreement and to address any inefficiencies and bottlenecks encountered, including devising preventative measures thereof. These meetings must infuse into the Performance Agreement of the Deputy Municipal Manager: infrastructure Services to ensure implementation ("what is measured gets done").
(e) That the Chief Financial Officer ensure that the Senior Manager: Revenue Management consider developing a Rotation Schedule for Clerks to attend Meter Reading and ensure there is appropriate documentation of the attendance of the meter reading by municipal staff.
(f) That the Senior Manager: Water and Sanitation ensure that there is proper record keeping supporting the financial records of the Municipality.
(g) That the Senior Manager: Water and Sanitation ensure that officials involved in the Calculation of the Water Losses be trained to adequately to implement the methodologies contained in the International Water Association (IWA) Water Balance Calculation.
(h) That the Deputy Municipal Manager: Infrastructure Services consider reporting on the Closing Water Inventory and its impact on the Calculated Water Loss based on the International Water Association (IWA) Formula as this will provide a more accurate estimate of water losses to inform decision-making.
(i) That the Deputy Municipal Manager: Infrastructure Services in conjunction with the Accounting Officer and Msunduzi Local Council expedite the finalisation of the Service Level Agreement between uMgungundlovu District Municipality and Msunduzi Municipality. This matter must be part of the Standard Reporting by the Deputy Municipal Manager: Infrastructure Services in all oversight structures (administrative and Council).
(j) That the Deputy Municipal Manager: Infrastructure Services ensure that they take appropriate urgent measures are applied to safeguards municipal asset.
(k) That the Deputy Municipal Manager: Infrastructure Services develop and implement Standard Operating Procedures to ensure that the Umngeni-Thukela Water Meter readings are taken timeously to identify faulty water meters and water leakages.
(l) That the Chief Financial Officer appoint a dedicated senior official to assist with the audit process to avoid delays and limitation of scope finding to the detriment of the Municipality.
(m) That the Deputy Municipal Manager: Electricity Supply Services and Deputy Municipal Manager: Infrastructure Services conduct a meter audit to assist in identifying faulty electricity and water meters for replacement to ensure accurate billing, reporting back on the progress of this matter to the Audit Committee.
(n) That the Senior Manager: Revenue Management prioritise further investigation of Accounts Billed on Estimates to ensure corrective measures are taken timeously to obtain actual readings.
(o) That the Senior Manager: Revenue Management train Meter Readers to conduct Preliminary Investigations of High Meter Readings onsite when conducting the monthly meter readings.
(p) That the Deputy Municipal Manager: Electricity Supply Services ensure that appropriate measures are taken to ensure that Chief Engineers and other officials act with reasonable care when exercising financial management responsibilities.
(q) That the Deputy Municipal Manager: Electricity Supply Services develop and implement a Standard Operating Procedures to ensure that there are adequate reviews and matching of Eskom invoices to supporting documents prior to payment of invoices.
(r) That the Accounting Officer must report to the Council and Disclose the Financial Loss of R27 414.87 as Fruitless and Wasteful Expenditure in the Financial Statements for the 2024/2025 Financial Year and conduct Determination Testing (Preliminary Investigation) in line with the National Treasury Municipal Finance Management Act of 2003 Circular 68 on Unauthorised, Irregular, Fruitless and Wasteful Expenditure.
(s) That The Accounting Officer must promptly inform the Mayor, the Member of the Executive Council (MEC) for the Department of Cooperative Governance and Traditional Affairs and the Auditor General of South Africa, in writing about the amount of R27 414.87 which is Fruitless and Wasteful Expenditure in terms of Section 32(4)(a) of the Municipal Finance Management Act of 2003.
(t) That Council refer the matter to the Senior Manager: Forensic Investigations Unit to conduct an investigation into the financial loss of R27 414.87, and that the Dereliction of Duty by the responsible officials in the value chain be investigated for possible Consequence Management and determine recoverability and report the outcome of the investigation to the Council.
(u) That the Deputy Municipal Managers for Infrastructure and Electricity Supply Services complete the Internal Audit Action Plan Tracker template for the report dated 25 February 2025 by the Chief Audit Executive (Ref: A07 of 2024/2025) considering the Final Internal Audit Report on the Audit of the Source Information used to calculate the Final Water and Electricity Losses for the 2021/2022 and 2023/2024 Financial Years for submission to the next Audit Committee meeting to be held on 28 April 2025.
(v) That subsequent to Council APPROVAL, the report dated 25 February 2025 by the Chief Audit Executive (Ref: A07 of 2024/2025) considering the Final Internal Audit Report on the Audit of the Source Information used to calculate the Final Water and Electricity Losses for the 2021/2022 and 2023/2024 Financial Years be REFERRED to Infrastructure and Electricity Supply Services Portfolio Committee and the Municipal Public Account Committee by Council for their strict oversight to ensure that all findings are dealt with and recommendations are implemented and reported back to Council on regular basis.

37. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF THE ACTION PLAN DEVELOPED IN RESPONSE TO THE AUDITOR GENERAL FINDINGS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (REF: 3.10.1.1)

Report dated 28 February 2025 by the Chief Audit Executive (Ref: FuA1 of 2024/2025).
(Page 1 of Committee Circular No.35 of 2025)

It was
RESOLVED TO RECOMMEND TO FULL COUNCIL

That the report dated 28 February 2025 by the Chief Audit Executive (Ref: FuA1 of 2024/2025) considering the Final Internal Audit Report on the Audit of the Action Plan Developed in response to the Auditor General Findings for the Financial Year ended as at 30 June 2025 be APPROVED and that the Accounting Officer (Acting) ensure the implementation of the following recommendations:-

(a) That all Deputy Municipal Managers assess the root causes of all the findings where inadequacies were noted during the Audit and devise responsive action plans to address the weakness thereof.
(b) That all Deputy Municipal Managers assign specific roles and responsibilities to ensure ownership of each finding. This will enable effective monitoring and timely resolution of identified issues where no action has been taken, the responsible officials will account.
(c) That all Deputy Municipal Managers provide training opportunities to staff to ensure that the staff (in respective units / sections) involved in the development of an Audit Action Plan are capacitated with the requisite skills to address the root causes of the findings thus curbing recurrence.
(d) That all Deputy Municipal Managers monitor the implementation of the Audit Action Plans and non-compliance / performance on a monthly basis to avoid recurring audit findings.
(e) That the Chief Financial Officer (Acting) in which the Finance Governance and Performance Management fall under ensures that Action Plans are time-bound to ensure proper monitoring and accountability.

38. QUARTER 2 RISK MANAGEMENT REPORT FOR THE 2024/2025 FINANCIAL YEAR (REF: 3.10.1.1)

Report dated 4 March 2025 by the Chairperson of the Risk Management Committee.
(Page 4 of Committee Circular No.34 of 2025)

It was
RESOLVED TO RECOMMEND TO FULL COUNCIL

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

That the report dated 4 March 2025 by the Chairperson of the Risk Management Committee detailing the Quarter Two Risk Management Committee Report for the 2024/2025 Financial Year be APPROVED.

39. CONSOLIDATED REPORT BY THE MUNICIPAL MANAGER (ACTING)

Report dated 25 February 2025 by the Municipal Manager (Acting).
(Circulated separately on the Audit Committee agenda links)

It was
RESOLVED

That the report dated 25 February 2025 by the Municipal Manager (Acting) be NOTED as follows:
(a) Report dated 29 January 2024 detailing the Implementation of the Financial Recovery Plan for Quarter 1 of the 2024/2025 Financial Year.
(b) Report dated 31 January 2025 outlining the Quarter 2 Progress Report on the Service Delivery and Budget Implementation Plan.
(c) Report dated 26 February 2025 by the Deputy Municipal Manager: Corporate Services on the ICT Audit Report on ICT Operational and Project Activities from December 2024 to January 2025.
(d) Report dated 4 February 2025 detailing the Media Analysis for the month of January 2025.
(e) Report dated as of February 2025 by the Safe City Entity.

40. CONSOLIDATED REPORT BY THE CHIEF FINANCIAL OFFICER (ACTING) FOR THE MONTHS OF NOVEMBER 2024 TO JANUARY 2025

Reports dated 12 February 2025 for the November 2024 to January 2025 by the Chief Financial Officer (Acting).
(Circulated separately on the Audit Committee agenda links)

It was
RESOLVED

That the reports dated 12 February 2025 by the Chief Financial Officer (Acting) for the months of November 2024 to January 2025 be NOTED as follows:
(a) Revenue Monthly Report for January 2025.04.10
(b) Report on the Monthly Payroll Reporting and activities for the month of January 2025.
(c) Report on SAP/MSCOA as of 31 January 2025.
(d) Report on Fruitless and Wasteful Expenditure as of 31 January 2025.
(e) Creditors Analysis Report as of 31 January 2025.
(f) Cash Flow Report as of 31 January 2025.
(g) Action Plan to address the 2023/2024 Auditor General Findings as of 31 January 2025.
(h) Month End Discipline for the month of 31 January 2025.
(i) Conditional Grants Expenditure Report as of 31 January 2025.
(j) Section 66 and 71 Report for the month of January 2025.

41. COUNCILLORS CAPACITY BUILDING POLICY AND STANDARD OPERATING PROCEDURE (REF: 4.6.P)

Report dated 20 November 2024 by the Deputy Municipal Manager: Corporate Services.
(Page 42 of agenda)

It was
RESOLVED

That the report dated 20 November 2025 by the Deputy Municipal Manager: Corporate Services considering the Councillors Capacity Building Policy and Standard Operating Procedure be NOTED.

42. INFORMATION COMMUNICATION TECHNOLOGY (ICT) INFRASTRUCTURE REFRESH PROGRESS REPORT (REF: 5.1.2.4)

Report dated 12 December 2024 by the Deputy Municipal Manager: Corporate Services.
(Page 74 of agenda)

It was
RESOLVED

That the report dated 12 December 2024 by the Deputy Municipal Manager: Corporate Services considering the Information Communication Technology Infrastructure Refresh Progress Report be NOTED.

43. UPDATE ON THE AUDIT ACTION PLAN TO ADDRESS INTERNAL AUDIT FINDINGS ON THE BUILDING CONTROL SUB-UNIT (REF: 3.10.1.1)

Report dated 4 December 2024 by the Deputy Municipal Manager: Sustainable Development and City Entities.
(Page 85 of agenda)

It was
RESOLVED

Report dated 4 December 2024 by the Deputy Municipal Manager: Sustainable Development and City Entities detailing the update on the Audit Action Plan to address the Internal Audit Findings on the Building Control Sub-Unit be NOTED.

The Main Agenda was concluded at 12:50. The Committee adjourned for a break and reconvened at 13:20 to consider confidential agenda items thereafter.

CONFIDENTIAL: NOT FOR PUBLICATION

44. CONFIRMATION OF MINUTES

Minutes of confidential meeting held on 10 December 2024
(Page 1 of Confidential Committee Circular No. 11 of 2025)

NOTE BY SENIOR MANAGER: SECRETARIAT AND AUXILIARY SERVICES: Due to the strict confidentiality of this item, an extract of the minutes under this item has been given to the Audit Committee members ONLY and a copy filed in the official CONFIDENTIAL records.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

45. SKILLS AUDIT IMPLEMENTATION PLAN: BIANNUAL STATUS REPORT FOR THE PERIOD 1 JANUARY 2024 TO 30 JUNE 2024 (REF: 3.4.5)

Report dated 17 July 2024 by the Deputy Municipal Manager: Corporate Services.
(Page 9 of Confidential Committee Circular No. 11 of 2025)

NOTE BY SENIOR MANAGER: SECRETARIAT AND AUXILIARY SERVICES: Due to the strict confidentiality of this item, an extract of the minutes under this item has been given to the Audit Committee members ONLY and a copy filed in the official CONFIDENTIAL records.

46. CIVIL LITIGATION BY THE MUNICIPALITY AND AGAINST THE MUNICIPALITY INCLUDING RECOVERIES EMANATING FROM FORENSIC INVESTIGATIONS (REF: 6.P)

Report dated 20 August 2024 by the Deputy Municipal Manager: Corporate Services.
(Page 116 of Confidential Committee Circular No. 11 of 2025)

NOTE BY SENIOR MANAGER: SECRETARIAT AND AUXILIARY SERVICES: Due to the strict confidentiality of this item, an extract of the minutes under this item has been given to the Audit Committee members ONLY and a copy filed in the official CONFIDENTIAL records.

47. LEGAL AUDIT ACTION PLAN PROGRESS: 2023/204 FINANCIAL YEAR (REF: 1.4.2)

Report dated 30 September 2024 by the Deputy Municipal Manager: Corporate Services.
(Page 118 of Confidential Committee Circular No. 11 of 2025)

NOTE BY SENIOR MANAGER: SECRETARIAT AND AUXILIARY SERVICES: Due to the strict confidentiality of this item, an extract of the minutes under this item has been given to the Audit Committee members ONLY and a copy filed in the official CONFIDENTIAL records.

48. LEGAL AUDIT ACTION PLAN PROGRESS 2023/2024 FINANCIAL YEAR (REF: 4.6.P)

Report dated 18 December 2024 by the Deputy Municipal Manager: Corporate Services.
(Page 127 of Confidential Committee Circular No. 11 of 2025)

NOTE BY SENIOR MANAGER: SECRETARIAT AND AUXILIARY SERVICES: Due to the strict confidentiality of this item, an extract of the minutes under this item has been given to the Audit Committee members ONLY and a copy filed in the official CONFIDENTIAL records.

49. DISCIPLINARY CASES CONSEQUENT MANAGEMENT PROGRESS REPORT COUNCIL REPORTING AS AT 30 NOVEMBER 2024 (REF: 4.1.4.1)

Report dated 2 December 2024 by the Deputy Municipal Manager: Corporate Services.
(Page 137 of Confidential Committee Circular No. 11 of 2025)

NOTE BY SENIOR MANAGER: SECRETARIAT AND AUXILIARY SERVICES: Due to the strict confidentiality of this item, an extract of the minutes under this item has been given to the Audit Committee members ONLY and a copy filed in the official CONFIDENTIAL records.

50. DISCIPLINARY CASES CONSEQUENT MANAGEMENT PROGRESS REPORT COUNCIL REPORTING AS AT 31 DECEMBER 2024 (REF: 4.1.4.1)

Report dated 23 December 2024 by the Deputy Municipal Manager: Corporate Services.
(Page 1 of Confidential Committee Circular No. 11 of 2025)

NOTE BY SENIOR MANAGER: SECRETARIAT AND AUXILIARY SERVICES: Due to the strict confidentiality of this item, an extract of the minutes under this item has been given to the Audit Committee members ONLY and a copy filed in the official CONFIDENTIAL records.

51. DISCIPLINARY CASES CONSEQUENT MANAGEMENT PROGRESS REPORT COUNCIL REPORTING AS AT 31 JANUARY 2025 (REF: 4.1.4.1)

Report dated 31 January 2025 by the Deputy Municipal Manager: Corporate Services.
(Page 1 of Confidential Committee Circular No. 11 of 2025)

NOTE BY SENIOR MANAGER: SECRETARIAT AND AUXILIARY SERVICES: Due to the strict confidentiality of this item, an extract of the minutes under this item has been given to the Audit Committee members ONLY and a copy filed in the official CONFIDENTIAL records.

52. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF TRAFFIC MANAGEMENT AND ADMINISTRATION FUNCTION: PUBLIC SAFETY, EMERGENCY AND ENFORCEMENT UNITS: COMMUNITY SERVICES BUSINESS UNIT (REF: 3.10.1.1)

Report dated 21 February 2025 by the Chief Audit Executive (Ref: A15 of 2023/2024).
(Page 1 of Confidential Committee No.12 of 2025)

NOTE BY SENIOR MANAGER: SECRETARIAT AND AUXILIARY SERVICES: Due to the strict confidentiality of this item, an extract of the minutes under this item has been given to the Audit Committee members ONLY and a copy filed in the official CONFIDENTIAL records.

53. REPORT ON THE PROGRESS ON FORENSIC INVESTIGATIONS, CRIMINAL INVESTIGATIONS AND PROSECUTIONS INTO ALLEGATIONS OF FRAUD, CORRUPTION, THEFT, ETC. FOR QUARTER ENDING 31 DECEMBER 2025 (REF: 3.10.1.1)

Report dated 22 January 2025 by the Senior Manager: Forensic Investigations (Acting) (Ref: 02/2024/25
(Page 1 of Confidential Committee No.13 of 2025)

NOTE BY SENIOR MANAGER: SECRETARIAT AND AUXILIARY SERVICES: Due to the strict confidentiality of this item, an extract of the minutes under this item has been given to the Audit Committee members ONLY and a copy filed in the official CONFIDENTIAL records.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

54. FORENSIC INVESTIGATION INTO FRUITLESS AND WASTEFUL EXPENDITURE INCURRED IN THE 2022/2023 FINANCIAL YEAR (REF: 3.10.1.1)

Report dated 21 August 2024 by the Senior Manager: Forensic Investigations (Acting) (Ref:FI-12/2023-24).
(Page 4 of Confidential Committee No.13 of 2025)

NOTE BY SENIOR MANAGER: SECRETARIAT AND AUXILIARY SERVICES: Due to the strict confidentiality of this item, an extract of the minutes under this item has been given to the Audit Committee members ONLY and a copy filed in the official CONFIDENTIAL records.

55. FORENSIC INVESTIGATION INTO FRUITLESS AND WASTEFUL EXPENDITURE INCURRED IN THE 2022/2023 FINANCIAL YEAR (REF: 3.10.1.1)

Report dated 28 August 2024 by the Senior Manager: Forensic Investigations (Acting) (Ref:FI-13/2023-24)
(Page 10 of Confidential Committee No.13 of 2025)

NOTE BY SENIOR MANAGER: SECRETARIAT AND AUXILIARY SERVICES: Due to the strict confidentiality of this item, an extract of the minutes under this item has been given to the Audit Committee members ONLY and a copy filed in the official CONFIDENTIAL records.

56. FORENSIC INVESTIGATION INTO IRREGULAR EXPENDITURE INCURRED IN 2021/22 AND 2022/23 FINANCIAL YEARS (REF: 3.10.1.1)

Report dated 28 August 2024 by the Senior Manager: Forensic Investigations (Acting) (Ref:FI-14/2023/24)
(Page 16 of Confidential Committee No.13 of 2025)

NOTE BY SENIOR MANAGER: SECRETARIAT AND AUXILIARY SERVICES: Due to the strict confidentiality of this item, an extract of the minutes under this item has been given to the Audit Committee members ONLY and a copy filed in the official CONFIDENTIAL records.

VIRTUAL MEETING HELD VIA MICROSOFT TEAMS,
ON TUESDAY, 21 JANUARY 2025 AT 11:00.

It was
RESOLVED

That leave of absence by Audit Committee Member (Mr M Shongwe) from the current meeting of the Audit Committee be approved.

2. DECLARATION OF VESTED INTEREST FINANCIAL OR OTHERWISE IN MATTERS INCLUDED ON THIS AGENDA

(Item 4 on the agenda)

There were no declarations to be made on the current agenda.

NOTED.

3. CONFIRMATION OF THE AGENDA

(Item 3 on agenda)

It was
RESOLVED

That the current agenda of the Audit Committee be accepted with no further changes.

4. MUNICIPAL FINANCE MANAGEMENT ACT (MFMA) OF 2003: SECTION 72: MID-TERM BUDGET AND PERFORMANCE ASSESSMENT REVIEW (REF:4.7)

(i) Presentation by the Chief Financial Officer (Acting) on the Municipal Finance Management Act of 2003: Section 72 (1)(a)(ii) Report on Budget Performance.

(Tabled at the meeting)

(ii) Report dated 15 January 2025 by the Municipal Manager (Acting).
(iii) Municipal Finance Management Act of 2003: Sections 71, 72, 52 (d) Monthly, Mid-Year and Quarterly Reports as of December 2024 by the Chief Financial Officer (Acting).

(Item 5 on the agenda circulated separately)

Audit Committee members sought confirmation on timeframes and measures to improve performance be implemented, as well as to what the Municipal Manager (Acting) envisaged if there continued to be no by-in from Deputy Municipal Managers on improving business unit performance and the ongoing problem of incomplete Portfolio of Evidence Files, in light of a lack of consequence management holding senior management to account for poor performing.

The Manager: Performance Management Systems reported that his business unit submitted timeous requests to all Deputy Municipal Managers for the submission of complete Portfolio of Evidence Files. In respect of Internal Audit Findings, he reported that Management was in the process of the fourth quarter planning sessions to consider the implementation of internal controls. It was pointed out that information was not being submitted timeously, which prevented the business unit from undertaking its due diligence on all submissions.

Thereafter, the Chief Financial Officer (Acting) reported that budget spending was proceeding satisfactorily. He cautioned that expenditure must be informed by the monthly revenue collection rates, and that Council was in a situation whereby business units were spending all the revenue that was collected. It was noted that Conditional Grant spending was performing well. The Chief Financial Officer also indicated that apart from the Eskom and Umgeni-uThukela Water payment arrangements, Employee Related Costs were the second largest cost factor, along with high Overtime expenditure; with a one month's Cash Coverage.

In response to a query regarding repairs and maintenance, the Chief Financial Officer (Acting) indicated that the Infrastructure Business Unit budget needed an overhaul to increase the current available budget. The Chief Financial Officer (Acting) reported that the Water Unit secured a large Infrastructure Grant that would be utilized to upgrade ageing infrastructure.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

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With regard to the use of shift systems to ease overtime expenditure, it was reported that most business units were operating on a day shift and night shift system, but that a Council Resolution in line with the Department of Labor legislation on the total legislated number of hours worked for overtime was limited to a 40-hour work week. Members were informed that changes to the shift system would need to be presented to the Local Labor Forum to obtain by-in and support from the labour component.

Management was urged to set definitive timeframes to implement action plans on all internal controls recommended by Internal Audit.

Following presentations and discussion, it was

RESOLVED

That the **Municipal Finance Management Act of 2003: Section 72 Mid-Year Budget and Performance Assessment Review for the 2024/2025 Financial Period** as detailed in the (i) Presentation by the Chief Financial Officer (Acting): Municipal Finance Management Act of 2003: Sections 71, 72, 52 (d) Monthly, Mid-Year and Quarterly Reports as at December 2024 and (ii) the report dated 15 January 2025 by the Municipal Manager Acting outlining the following recommendations below, be SUPPORTED by the Audit Committee for submission to the Full Council:-

(a) In line with the Municipal Finance Management Act of 2003: Section 72(3)(a), it be NOTED that the Adjustment Budget is necessary wherein Expenditure is adjusted downwards since the Cash Collection is below projections being informed by the MFMA Section 17(1)(a) of realistically anticipated revenue.
(b) That Council institutionalize Operation Qoqimali in terms of the Organizational Structure to improve Cash Collections.
(c) That all Deputy Municipal Managers be afforded an opportunity to review respective expenditure in line with the budget recommendations to serve as input for the Adjustment Budget in terms of Section 28 of the Municipal Finance Management Act of 2003.
(d) That it be NOTED that the compliance emanating from the Msunduzi Municipality's Debt Relief Self-Assessment and Overall Performance since 1 December 2023, as well as the National Treasury's Independent Assessment set out the following:

(Please refer to the Compliance Report and Compliance Certificate for November 2024).
The following Remedial Actions necessary and / or undertaken to improve the Municipality's Monthly Compliance in terms of the Debt Relief Conditions:

- Monthly settle the current accounts for Umgeni-uThukela Water and ESKOM.
- Settling of the debt repayment instalment. This needs to be improved as the Municipality defaulted on the November/December 2024 Umgeni statement.
- Ensure that bulk invoices are captured timeously on the system, prior to month-end closure.
- Achieving the desired collection rate of 95% and application of the Credit Control Policy.
- Restricting or interrupting of water supply of defaulting customers and indigents.
- Improving indigent management, especially considering the audit findings raised.
- Installation of smart prepaid meters. The involvement of Engineers for Water and Electricity is critically needed in this regard.
- Debtors Management to do an assessment of actual debt owed and the number of registered indigents compared to total number of households.
- Ring-fencing actual cash received for Electricity and Water in order pay for Eskom and Umgeni accounts.

(e) That the Municipality's Service Delivery Performance during the first half of the 2024/2025 Financial Year, and the Service Delivery Targets, and Performance Indicators as set out in the Service Delivery and Budget Implementation Plan be NOTED.
(f) That all Deputy Municipal Managers ensure that the changes to the Service Delivery Performance Report be affected in line with Internal Audit and Auditor General findings after the finalization of the Adjustment Budget.
(g) That the Deputy Municipal Manager: Sustainable Development and City Entities in conjunction with the Chief Financial Officer and Manager: Safe City Entity ensures that the Operational and Financial Assessment be UNDERTAKEN in terms of the Municipal Finance Management Act: Section 88 of Act 56 of 2003 for Safe City Msunduzi NPC for the period July 2024 to December 2024 by 15 January 2025.

MEETING HELD VIA MICROSOFT TEAMS AND PHYSICALLY IN THE SECOND FLOOR BOARDROOM, HARRY GWALA STADIUM,
ON TUESDAY, 20 FEBRUARY 2024 AT 09:00.

1. REPORT BY THE RISK MANAGEMENT COMMITTEE CHAIRPERSON FOR QUARTER 2 2023/2024 FINANCIAL YEAR (REF: 3.10.1.)

It was
RESOLVED

(a) That the report dated 15 February 2024 by the Chairperson of the Risk Management Committee for the Quarter 2 2023/2024 Financial Year be NOTED.
(b) That the Chief Risk Officer ensure that the completed Risk Register be submitted to the next meeting of the Audit Committee.
(c) That as a matter of priority, the Chief Risk Officer convene a training workshop for all Risk Management Champions.
(d) That the Office of the Municipal Manager, in conjunction with the Deputy Municipal Manager and Chief Risk Officer look into seconding two members of staff to the Risk Management Unit for a period of twelve months from the date of appointment, reporting back to the next meeting of the Audit Committee.

2. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF RISK MANAGEMENT FOR THE 2023/2024 FINANCIAL YEAR (REF: 3.10.1.1)

Report dated 5 December 2023 by the Chief Audit Executive (Ref: A6 Of 2023/24). (Page 27 of agenda)

Following discussion, it was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the Final Internal Audit report on the Audit of Risk Management for the 2023/24 Financial Year as contained in the report dated 5 December 2023 by the Chief Audit Executive (Ref: A6 Of 2023/24) be approved and that the Accounting Officer ensure the following: -

1. That the Risk Management Unit be given a special dispensation (priority) in the evaluation process of its posts, advertisement and appointment of staff to ensure that it is sufficiently resourced for it to fulfil its responsibilities.
2. That the Risk Officer/Accounting Officer ensure that all policies, risk implementation plans, etc. relating to risk management are reviewed and approved by Council annually or at intervals to be specified on the policies.
3. That the process of workshopping approved documents be expedited to ensure effective implementation of Risk Management.
4. That for the Risk Management Function to be effective and efficient it must have sufficient capacity to function in terms of human and other resources necessary to implement the Risk Management Program of the Municipality.
5. That the Accounting Officer prioritize the capacitating of the Risk Management Unit to ensure that the Risk Management function be adequately resourced in terms of human capacity including skills and competencies and Information Technology tools and techniques to enable effective and institutionalized Risk Management Program or function. In this context, the appointment of the panel of service providers as well as the appointment of the Risk Management specialists be completed timeously.

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6. That training and workshopping of Risk Champions and the Risk Management Committee members does not require additional capacity from Treasury and that the Chief Risk Officer prioritize and ensure that Risk Management Awareness Workshops take place in accordance with the Risk Management Implementation Plan to promote risk awareness and active participation in risk management activities.
7. That the Chief Risk Officer ensure that all risk strategic documents be workshopped to all staff for effective implementation and accountability.
8. That the Chief Risk Officer ensure that a detailed Communication Strategy and/or Plan be developed to ensure effective communication of risk management activities within the municipality.
9. That the Chief Risk Officer request a report on Risk Management activities (i.e. Implementation of Risk Mitigation Strategies and Emerging risks) from departmental heads and perform verification of the reported status by business units regarding the implementation of Risk Mitigation Strategies prior to reporting to the Risk Committee. This will ensure that risk reports reported to the Risk Committee are credible.
10. That the Accounting Officer ensure that there be full participation by all officials involved in the Risk Management process and program.
11. That the Chief Risk Officer ensure that all officials be adequately capacitated, and recurring Risk Awareness Workshops be conducted in line with the Annual Risk Implementation Plan.
12. That Performance Agreements for Risk Owners and Risk Champions include Key Performance indicators for reporting of Risk Strategy Implementation and updating of business unit Risk Registers.
13. That Risk Management be a standing item in all business unit meetings wherein business unit reports containing the following, amongst other, be discussed:

Emerging risks
Progress relating to implementation of risk strategies.

14. That the Chief Audit Executive ensure that Internal Audit recommendations be effectively implemented to ensure effective Risk Management.
15. That the Chief Risk Officer ensure the review of the Risk Strategic documents include a requirement (as part of the roles and responsibilities) to set risk indicators for effective monitoring and evaluation of risks. Furthermore, the Risk Strategy must include a process of identification and approval of key risk indicators for the Municipality.
16. That the Chief Audit Executive expedite adequate follow-ups in order to ensure implementation of recommendations and actions required and that non-co-operation from the other departments should be timeously escalated to the Accounting Officer.
17. That the Accounting Officer timeously attend to escalations brought forward by the Chief Audit Executive with regards to non-co-operation from other departments.
18. That the Chief Audit Executive ensure that performance agreements of officials include key indicators related to risk management; this will assist the Municipality in ensuring that the Risk Strategy being implemented accordingly, and that the Municipality has an effective Risk Management Program.
19. That all submissions to Council and Council Structures clearly articulate the risk implications for informed decision making and that the Chief Audit Executive monitor the implementation of the Policy in this regard, and non-co-operation must be escalated to the Accounting Officer for intervention.
20. That the Accounting Officer institute measures in place to ensure that submissions do not pass the Top Management Committee level unless there is satisfaction that they are fully informative of the risk implications.
21. That the Chief Audit Executive together with the Chief Risk Officer ensure that the Combined Risk Assurance Plan be developed and implemented accordingly. This will assist the Municipality in ensuring that the efforts of the "three-lines of defence, i.e. Management, other assurance providers (legal and other) and Internal and External Audit, including Council Structures" are practically synchronized to support the strategy of the Municipality from a good governance perspective.
22. That the Chief Risk Officer take Internal Audit reports into consideration when updating the Risk Register in terms of emerging risks and necessary adjustments of the initial perceived residual risk as a consequence of negative or positive internal audit outcomes.
23. That an automated Risk Management System is considered instrumental in improving the efficiency and effectiveness of Risk Management, the Chief Risk Officer should expedite the engagements with the eThekwini Metro to solicit the much-needed assistance in the quest to implement recommendations and actions.
24. That the automated Risk Management Tool will assist the Municipality to automate and map-out risk management responsibilities organization-wide whilst ensuring ready and easy access by users, storing and securing of information, user assistance, produce business intelligence reports including dashboards, adaptability to the Information Technology infrastructure of the municipality, uploading and storing of evidential documents for reported statuses especially for risk mitigation strategies, ability to manage emerging risks, etc.
25. That the Risk Management Committee, as part of its oversight responsibilities, ensure that the Risk Management Policy, Strategy and Implementation Plan be effectively implemented.
26. That one of the ways to achieve this is through reviewing and approving a comprehensive Annual Risk Implementation Plan.
27. That the Accounting Officer may also consider organizing a training workshop for the Risk Management Committee on the latest approaches to implementing a Risk Management program, and institutions such as the Institute of Risk Management South Africa (IRMSA), Provincial and National Treasury may be approached for this purpose.
28. That Management considers a co-sourced arrangement to implement its Risk Management Program.
29. That the Chief Risk Officer and the Risk Management Committee ensure that the risk appetite is reviewed in line with the Risk Management Policy and Methodology and that the risk appetite and tolerance levels are adopted by Council.
30. That the Chief Risk Officer, in the next review of risk documents, ensure that the risk categories are adequately aligned throughout the risk management documents to avoid confusion. Furthermore, the Chief Risk Officer must ensure adequate documentation of risks descriptions, perceived root causes and mitigation strategies. This will assist ensuring effective risk management.
31. That the Chief Risk Officer and the Risk Management Committee assess the appropriateness of the risks included in the Risk Register and consider grouping similar risks and/or removing redundant risks without compromising the credibility and completeness of the Risk Register.

3. REPORT TO THE AUDIT COMMITTEE ON THE STATUS UPDATE ON THE IMPLEMENTATION OF 2023 / 2024 ANNUAL AUDIT PLAN (REF: 3.10.1.1)

Report dated 16 February 2023 by the Chief Audit Executive (Ref: SU No.3 of 2023/24). (Page 1 of Committee Circular No. 16 of 2024)
In support of the recommendations, it was

RESOLVED TO RECOMMEND TO THE FULL COUNCIL

(a) That the status of the implementation of the annual internal audit plan for the first and second quarter of 2023/24 financial year, as contained in the report dated 16 February 2023 by the Chief Audit Executive (Ref: SU No.3 of 2023/24) be NOTED.
(b) That the removal of the Audit of Section 72 Report: 2023/24 Financial Year from the Plan be APPROVED in the light of the fact that National Treasury conduct Mid-term Performance Assessment and it would be a duplicate of effort.
(c) That APPROVAL be granted to move the Audit of Cemeteries and Crematoria to 2024/25 financial year.
(d) That the inclusion of the Ad hoc Audit of Upper Limit Calculations for Msunduzi Municipality Councillors be APPROVED.
(e) That Council advises on the instruction of the Municipal Manager into the investigation of Safe City Irregular expenditure for the period of 2020 to 2022.

4. FINAL INTERNAL AUDIT REPORT ON THE REVIEW OF THE AUDIT ACTION PLAN THAT 15 INTENDED TO ADDRESS THE FINDINGS OF THE AUDITOR GENERAL FOR THE 2022/2023 FINANCIAL YEAR (REF: 3.10.1.1)

Report dated 16 February 2024 by the Chief Audit Executive (Ref: FuA1 (A) of 2023/2024. (Page 6 of Committee Circular No. 16 of 2024)

Audit Committee thanked the Chief Audit Executive for the excellent report. However, Committee members expressed their disappointment with the late submission of reports and stressed to Management that they would appreciate having ample time to peruse reports in order to assess matters that required attention by the Audit Committee.

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It was subsequently
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the findings around the Final Internal Audit report on the review of the Audit Action Plan that intends to address the findings of the Auditor General for 2022/23 Financial Year as contained in the report dated 16 February 2024 by the Chief Audit Executive (Ref: FuA1 (A) of 2023/2024) be APPROVED and that the Accounting Officer ensure the following:-

(a) That Management interrogates the root causes of all the findings where inadequacies were noted during the audit and devise responsive action plans to eradicate/ address the weaknesses thereof.
(b) That training opportunities for staff be explored to ensure that the staff (in respective units/sections) involved in the development of an audit action plan be capacitated with requisite skills to ensure that action plans address the root causes of the findings thus, curbing recurrence.
(c) That the implementation of the Audit Action Plan be strictly monitored, and non-compliance/performance thereof should be strictly dealt with in line with the consequence management processes of the Municipality.

5. REPORT ON THE ACTION PLAN TO ADDRESS THE OVERSTATEMENT OF REVENUE DUE TO TECHNICAL ERRORS ON THE METERS RESULTING IN OVER BILLING OF DEBTORS FOR NOVEMBER 2023 (REF: 3.3.1.2.1)

Report dated 11 December 2023 by the Municipal Manager. (Page 122 of agenda)
The Committee was notified that an updated report with revised targets would be submitted to Committee.

It was thereafter
RESOLVED

That the progress on the Action Plan to address the overstatement of revenue due to technical errors on the meters resulting in over billing of debtors for November 2023 detailed in the report dated 11 December 2023 by the Municipal Manager be NOTED.

6. BUDGET AND TREASURY: AUDIT ACTION PLAN TO ADDRESS AUDIT FINDINGS RAISED BY THE AUDITOR GENERAL ON THE ANNUAL FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2023 (REF: 3.10.R)

Report dated 19 January 2024 by the Chief Financial Officer (Ref: 3.10.R). (Page 133 of agenda)
It was noted that the Revenue Unit was aiming to address all findings as set out in the comprehensive Action Plan before the end of June 2024.

It was thereafter
RESOLVED

That the Audit Action Plan as contained in the report dated 19 January 2024 (Ref: 3.10.R) by the Chief Financial Officer, that has been developed to address the audit findings raised by Auditor General on the Annual Financial Statements and Annual Performance report for the year ended 30 June 2023, be APPROVED.

7. BUDGET AND TREASURY: 2023/2024 ADJUSTMENT BUDGET AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) (REF: 3.7.1.(23/24))

Report dated 9 February 2024 by the Chief Financial Officer (Ref: 6). (Page 144 of agenda)

Following brief discussion, it was
RESOLVED

(a) That grant roll overs subsequently approved be INCORPORATED into the Adjustment Budget for the 2023/24 Medium-Term Revenue and Expenditure Framework as detailed in the report dated 9 February 2024 by the Chief Financial Officer (Ref: 6).
(b) That the Adjustment Budget for the 2023/24 Medium-Term Revenue and Expenditure framework be APPROVED.
(c) That related Service Delivery Budget Implementation Plan (SDBIP) be APPROVED accordingly.

8. BUDGET AND TREASURY: REPORT ON MONTH-END DISCIPLINE (NOVEMBER 2023) (REF:4.1.4.1)

Report dated 6 December 2023 by the Chief Financial Officer. (Page 160 of agenda)

It was
RESOLVED

That the Month-end Discipline report as of November 2023 as contained in the report dated 6 December 2023 by the Chief Financial Officer be NOTED.

9. BUDGET AND TREASURY: REPORT ON MONTH-END DISCIPLINE (DECEMBER 2023HREF:4.1.4.1)

Report dated 16 January 2023 by the Chief Financial Officer. (Page 189 of agenda)

Audit Committee members pointed out that the challenges raised in the Month End Discipline Reports remained silent on how Management would be addressing and resolving these issues. Management was urged to ensure compliance with the relevant checklists within the Budget and Treasury Office.

It was pointed out to Management that the challenges reflected in the report belonged to the portfolio of a particular official that required Management to correspond with appropriately, as it was evident that an official or certain officials were not performing their designated duties.

It was thereafter
RESOLVED

(a) That the Month-end Discipline report as of November 2023 as contained in the report dated 6 December 2023 by the Chief Financial Officer be NOTED.
(b) That the Chief Financial Officer ensure that the challenges outlined in the Month-End Discipline reports are communicated and discussed with the respective Budget and Treasury Staff and be monitored closely thereafter.

10. CORPORATE SERVICES: HR AUDIT ACTION PLAN PROGRESS REPORT UPDATE:2021/2022 (REF: 5.1.3.1)

Report dated 5 December 2023 by the Deputy Municipal Manager: Corporate Services. (Page 217 of agenda)

It was
RESOLVED

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(a) That the Scarce Skills and Stand-by Policies are to be approved by the Municipal Council by no later than January 2024, it being noted that this will enable the two matters to be closed, as contained in the report dated 5 December 2023 by the Deputy Municipal Manager: Corporate Services.
(b) That Consequence Management be reported to various structures, including the Audit Committee on a quarterly basis.

11. CORPORATE SERVICES: HR AUDIT ACTION PLAN PROGRESS REPORT UPDATE2021/2022 {REF: 5.1.3.1)

Report dated 5 January 2023 by the Deputy Municipal Manager: Corporate Services. (Page 221 of agenda)

It was
RESOLVED

That the report dated 5 January 2023 by the Deputy Municipal Manager: Corporate Services considering the Human Resources Audit Action Plan Progress for the 2021/2022 Financial Year be NOTED.

12. CORPORATE SERVICES: HR AUDIT ACTION PLAN PROGRESS REPORT UPDATE:2021/2022 (REF: 4.R)

Report dated 5 February 2023 by the Deputy Municipal Manager: Corporate Services. (Page 225 of agenda)

It was
RESOLVED

That the report dated 5 February 2023 by the Deputy Municipal Manager: Corporate Services considering the Human Resources Audit Action Plan Progress for the 2021/2022 Financial Year be NOTED.

13. CORPORATE SERVICES: ICT AUDIT ACTION PLAN PROGRESS: 2021/2022 (REF: 3.10.1.1)

Report dated 12 December 2023 by the Deputy Municipal Manager: Corporate Services. (Page 229 of agenda)

The Senior Manager: ICT reported that there were 20 outstanding findings as of February 2024. He reported that he was corresponding with the Office of the Auditor General on resolving these remaining findings speedily before the end of June 2024. The Senior Manager: ICT was requested to correct the typing error on Line 67.

It was thereafter
RESOLVED

The status of the ICT AG Action Plan for the 2021/2022 Financial Year as detailed in the report dated 12 December 2023 by the Deputy Municipal Manager: Corporate Services outlining the following updates be duly acknowledged and NOTED: -

(a) The following updates regarding the allocated R20 million for addressing ICT Operational findings No. 43 and no. 79 be acknowledged, as noted in the AG Findings Progress Report on the “Annexure A Schedule”.
(b) Replacement of Aircon - The Air Conditioning replacement, overseen by the Building Control Unit, has progressed.
(c) Server Storage - The server/storage is 99% complete. Only backup and DR Configuration remaining.
(d) Core Switches - The Core Switch report, endorsed by the Deputy Municipal Manager: Corporate Services, be scheduled for presentation at the Bid Adjudication Committee (BAC).

14. CORPORATE SERVICES: ICT AUDIT ACTION PLAN PROGRESS: 2021/2022 (REF: 3.10.1.1}

Report dated 05 January 2024 by the Deputy Municipal Manager: Corporate Services. (Page 234 of agenda)
It was
RESOLVED

That the status of the ICT Audit Action Plan as detailed in the report dated 05 January 2024 by the Deputy Municipal Manager: Corporate Services be duly acknowledged and NOTED.

15. CORPORATE SERVICES: ICT AUDIT ACTION PLAN PROGRESS: 2021/2022 (REF: 3.10.1.1)

Report dated 05 February 2024 by the Deputy Municipal Manager: Corporate Services. (Page 238 of agenda)
It was
RESOLVED

The status of the ICT AG Action Plan as detailed in the report dated 05 February 2024 by the Deputy Municipal Manager: Corporate Services be duly acknowledged and NOTED.

16. CORPORATE SERVICES: ICT MONTHLY OPERATIONAL AND PROJECTS REPORT (REF:3.10.1.1)

Report dated 1 February 2024 by the Deputy Municipal Manager: Corporate Services. (Page 245 of agenda)

It was
RESOLVED

That the various monthly operations and compliance matters undertaken by the ICT Unit during the months of December 2023 and January 2024 as contained in the report dated 1 February 2024 by the Deputy Municipal Manager: Corporate Services be NOTED.

17. CORPORATE SERVICES: LEGAL SERVICES AUDIT ACTION PLAN 21/22 (REF1.R)

Report dated 21 December 2023 by the Deputy Municipal Manager: Corporate Services. (Page 299 of agenda)

It was
RESOLVED

That the progress made in providing legal support to the action plans of business units to address findings as outlined in report dated 21 December 2023 by the Deputy Municipal Manager: Corporate Services be NOTED.

18. CORPORATE SERVICES: LEGAL SERVICES AUDIT ACTION PLAN 21/22 (REF1.R)

Report dated 3 January 2024 by the Deputy Municipal Manager: Corporate Services (Ref: 12/2023). (Page 305 of agenda)

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It was
RESOLVED

That the progress made in providing legal support to the action plans of business units to address findings as outlined in report dated 3 January 2024 by the Deputy Municipal Manager: Corporate Services, be noted.

19. CORPORATE SERVICES: LEGAL SERVICES AUDIT ACTION PLAN 21/22 (REF1.R)

Report dated 2 February 2024 by the Deputy Municipal Manager: Corporate Services (Ref: 01/2024). (Page 312 of agenda)

The Municipal Manager reported that the business unit was building capacity with the Legal Services by taking the relevant measures in ensuring that Legal Advisors worked towards being admitted as Attorneys. He mentioned that focus needed to be directed at recouping revenue collected from the appointed Trust Accounts of Attorneys acting on behalf of Council in the recovery of debt from consumers. The Municipal Manager pointed out that it was imperative that the Revenue Unit kept a registry of all legal transactions pertaining to the recovery of debt.

It was
RESOLVED

(a) That the progress made in providing legal support to the action plans of business units to address findings as outlined in report dated 2 February 2024 by the Deputy Municipal Manager: Corporate Services, be NOTED.
(b) That the Chief Financial Officer in conjunction with the Deputy Municipal Manager: Corporate Services, together with the Senior Manager: Revenue and the Senior Manager: Legal Services compile a Register of all Legal Transactions pertaining to the recovery of debt from consumers for the purpose of monitoring and recovering revenue due to Council from all respective debt collectors appointed by Council.

20. CORPORATE BUSINESS UNIT: REPORT ON THE ACTIVITIES OF THE RISK MANAGEMENT UNIT: NOVEMBER 2023 (REF: 3.10.2.5)

Report dated 19 December 2023 incorporating recommendations by the Municipal Manager (Management Committee).
(Page 317 of agenda)

It was
RESOLVED

That the report dated 19 December 2023 by the Municipal Manager on the Risk Management Unit for the month of November 2023, be NOTED.

21. CONSOLIDATED REPORT BY THE MUNICIPAL MANAGER (REF: 3.10.1)

Unsigned report dated 26 January 2024 by the Municipal Manager. (Circulated on the Audit Committee Agenda Link).

Members of the Audit Committee thanked the Municipal Manager for the presentation of the consolidated report for the month of January 2024. However, Committee members expressed their disappointment over the receipt of the Municipal Manager's report. In addition to this, members expressed their concern over the non-submission of the Section 66 and 71 reports.

It was
RESOLVED

That the unsigned report dated 26 January 2024 by the Municipal Manager for the month of January 2024, be NOTED.

22. SUMMARY OF AUDIT COMMITTEE URGENT OUTSTANDING MATTERS

Scheduled updated as of 27 December 2023 by Corporate Services Business Unit. (Circulated separately on the Audit Committee Agenda Link)

It was
RESOLVED

That the Summary of Urgent Audit Committee Outstanding Matters as of 27 December 2023 by the Corporate Services Business Unit be NOTED.

23. OUTSTANDING MATTERS THAT REQUIRE CLOSE UP REPORTS

Report dated 8 August 2023 by the Corporate Services Business Unit. (Circulated separately on the Audit Committee Agenda Link)

Management was requested to submit progress reports or close out reports on all outstanding matters to the next Audit Committee meeting on Tuesday, 23 April 2024. Failure in the progress of long outstanding matters of the Audit Committee, Audit Committee members reported that they would take this matter out of the Audit Committee meeting for deliberations with the Municipal Manager for appropriate action to be taken for the non-implementation of recommendations made by the Audit Committee.

The Senior Manager: Expenditure undertook to provide Committee with a report on the appointment of the service provider for the System Applications and Products in Data Processing (SAP) System.

It was
RESOLVED

(a) That the Audit Committee Outstanding Matters report dated 8 August 2023 by the Corporate Services Business Unit be NOTED.
(b) Management was requested to submit progress reports or close out reports on all outstanding matters by the next Audit Committee meeting on Tuesday, 23 April 2024. Failure in the progress of long outstanding matters of the Audit Committee, Audit Committee members reported that they would take this matter out of the Audit Committee meeting for deliberations with the Municipal Manager for appropriate action to be taken for the non-implementation of recommendations made by the Audit Committee.
(c) That the Municipal Manager in conjunction with the Chief Finance Officer ensures that the Audit Committee be provided with a progress report on the System Applications and Products in Data Processing (SAP) System.

(The main Audit Committee Agenda was concluded at 12:00 at which point the Committee adjourned for a lunch break and reconvened at 12:45 to commence with Confidential Items with the respective designated officials).

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS
COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR
CONFIDENTIAL: NOT FOR PUBLICATION **24. CONFIRMATION OF CONFIDENTIAL MINUTES** Minutes of confidential meeting held on 12 December 2023. (Page 1 of Confidential Committee Circular No. 8 of 2024) **CONFIDENTIAL: NOT FOR PUBLICATION** **29. FORENSIC INVESTIGATION INTO THE PAYMENTS TO ANZOMODE (PTY) LTD FOR 2021 IDP MARKETING, PUBLIC RELATIONS AND MEDIA STRATEGY: OFFICE OF THE MUNICIPAL MANAGER (RE: 10.4.1.INT)** Report dated 8 January 2024 by the Chief Audit Executive (Ref: FI-03/2020/21). (Page 4 of Confidential Committee Circular No. 8 of 2024) **CONFIDENTIAL: NOT FOR PUBLICATION** **30. CONSEQUENCE MANAGEMENT ACCELERATION PLAN PROGRESS REPORT: OCTOBER 2023 TO DECEMBER 2023 (REF: 4.1.4.1)** Report dated 12 January 2024 by the Deputy Municipal Manager: Corporate Services. (Page 35 of Confidential Committee Circular No. 8 of 2024) **CONFIDENTIAL: NOT FOR PUBLICATION** **31. QUERY ON THE REQUEST FOR THE SAFE CITY INVESTIGATION TO BE CONDUCTED BY THE INTERNAL AUDIT UNIT INSTEAD OF BEING REFERRED TO THE MANAGER: FORENSIC INVESTIGATION** (Raised verbally) **CONFIDENTIAL: NOT FOR PUBLICATION** **32. FINAL INTERNAL AUDIT REPORT ON THE ADHOC AUDIT OF THE REMUNERATION PACKAGE OF TWO PERMANENT SECTION 56 MANAGERS (REF: 3.10.1.1)** Report dated 5 December 2023 by the Chief Audit Executive (Ref: Ad-hoc 2 of 2023/24). (Page 1 of Confidential Committee Circular No.10 of 2024) **CONFIDENTIAL: NOT FOR PUBLICATION** **33. FINAL INTERNAL AUDIT REPORT ON THE ADHOC AUDIT OF THE UPPER LIMITS FOR CALCULATIONS FOR MSUNDUZI MUNICIPALITY COUNCILLORS (REF: 3.10.1.1)** Report dated 15 February 2024 by the Chief Audit Executive (Ref: Ad-hoc 5 of 2023/24). (Page 1 of Confidential Committee Circular No.11 of 2024) **CONFIDENTIAL: NOT FOR PUBLICATION** **34. FORENSIC INVESTIGATION INTO IRREGULAR TENDERS TO SECURITY SERVICE PROVIDERS WHO DID NOT MEET ALL THE MANDATORY REQUIREMENTS: SUPPLY AND SERVICES CONTRACT NO. 55 23-R OF 2021 (REF: 3.8.2.3)** Report dated 2 February 2024 by the Manager: Forensic Investigations (Ref: FI-23/2022/23). (Page 48 of Confidential Committee Circular No.11 of 2024) **CONFIDENTIAL: NOT FOR PUBLICATION** **35. REPORT ON FORENSIC INVESTIGATIONS, CRIMINAL INVESTIGATIONS AND PROSECUTIONS INTO ALLEGATIONS OF FRAUD, CORRUPTION, THEFT, ETC FOR THE QUARTER ENDING 31 DECEMBER 2023 (REF: 3.10.1.1)** Report dated 9 February 2024 by the Manager: Forensic Investigations (Ref: 03/2023/2034). (Page 105 of Confidential Committee Circular No.11 of 2024) **CONFIDENTIAL: NOT FOR PUBLICATION** **36. CONFIDENTIAL AUDIT COMMITTEE MATTERS THAT REQUIRED CLOSE OUT REPORTS** Report dated 8 August 2023 by the Corporate Services Business Unit. (Circulated separately on the Audit Committee Confidential Link) **37. MATTERS RAISED BY THE MUNICIPAL MANAGER** (Raised verbally)
HYBRID MEETING HELD VIA MICROSOFT TEAMS AND PHYSICALLY IN THE SECOND FLOOR BOARDROOM, HARRY GWALA STADIUM, **ON TUESDAY, 23 APRIL 2024 AT 09:00.** It was **RESOLVED** That the minutes of the Audit Committee meeting held on Tuesday, 20 February 2024 be CONFIRMED. 1.1 Matters Arising from the Minutes of the Audit Committee meeting held on 20 February 2024 Audit Committee members pointed out to the Municipal Manager (Acting) that the report on the Risk Register and Progress on SAP Implementation was not on the current agenda. NOTED.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

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2. VERBAL REPORT BY THE OFFICE OF THE AUDITOR GENERAL

(Item 6 on the agenda)
It was reported that the Office of the Auditor General had no report to present to the current meeting of the Audit Committee.

NOTED.

3. FINAL INTERNAL AUDIT REPORT ON THE HIGH-LEVEL REVIEW OF THE 2022/2023 ANNUAL REPORT (REF: 3.10.1.1)

Report dated 08 March 2024 by the Chief Audit Executive (Ref: AoPI 5 - 2023/2024). (Page 19 of agenda)

The Chief Audit Executive reported that there were glaring mistakes with the Annual Report for the 2022/2023 Financial Year, and that the Annual Report must be checked for these errors.

Audit Committee members requested that the Municipal Manager (Acting) must ensure that the comments, recommendations and corrections on the Annual Report from previous financial years must be concluded. The Committee expressed their disappointment with Management over the fact there was no change, as managers were failing to conduct due diligence in ensuring the correctness and accuracy of information supplied to the Annual Report. It was emphasized that this was a common issue with all management reports that lacked finality and close-out of all findings and recommendations.

The Municipal Manager (Acting) undertook to ensure that Deputy Municipal Managers took control of proper management of their respective business units, and to peruse submissions by the Deputy Municipal Managers.

It was
RESOLVED

That the Municipal Manager (Acting) must ensure that the Chief Risk Officer includes this report as part of the Risk Register.

Following discussion, it was thereafter
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

(a) That the findings around the Final Internal Audit Report on the High-Level Review of the 2022/23 Annual Report as set out in the report dated 08 March 2024 by the Chief Audit Executive (Ref: AoPI 5 - 2023/2024) be APPROVED and that the Accounting Officer ensure the implementation of the following: -
(b) That each Deputy Municipal Manager, Chief Financial Officer and Senior Managers in the case of the Budget and Treasury Business Unit establish a quality assurance process prior to their input to the annual report is submitted to the Organizational Compliance, Knowledge and Performance Management Unit.
(c) That the Deputy Municipal Manager and Senior Managers and Chief Financial Officer and the Senior Managers should sign a certificate to confirm that they have done the quality control on their input.
(d) That the Office of the Municipal Manager should establish and implement its own quality control process and sign a certificate to confirm that they have done the quality control of the draft annual report.

4. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF DISASTER MANAGEMENT: PUBLIC SAFETY, EMERGENCY SERVICES AND ENFORCEMENT: COMMUNITY SERVICES BUSINESS UNIT (REF: 3.10.1.1}

Report dated 5 April 2024 by the Chief Audit Executive (Ref: A5-2023/24). (Page 1 of Committee Circular No. 59 of 2024)
Clarity was sought on Management's plan to ensure that the Disaster Management Unit was fully capacitated with staff and tools of trade. Audit Committee members pointed out that all the findings were critical as the functions of this Unit was a legislative requirement.

Committee members sought clarity on who was accountable and who would take responsibility for the failure to address the findings in this report to reach this extent.

It was noted that when there was a change-over in the acting positions for all senior management posts, including that of Municipal Manager, there were no official written hand-over undertaken.

The Municipal Manager (Acting) was requested to be proactive in addressing the findings in this report due to possible liability that could arise from the business unit's inability to conduct its legislative functions.

It was
RESOLVED

(a) That the Municipal Manager (Acting) Chief Risk Officer takes cognizance of the findings in the report dated 5 April 2024 by the Chief Audit Executive (Ref: A5-2023/24), for inclusion on the Risk Register.
(b) That as a matter of urgency, the Municipal Manager (Acting) must ensure that a Turnaround Strategy and Action Plan be compiled for the Audit Committee outlining clear short term, medium term and long-term plans in addressing the findings in the report dated 5 April 2024 by the Chief Audit Executive (Ref: A5-2023/24).

In support of the recommendations, it was subsequently
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the findings around the Final Internal Audit report on Disaster Management: Public Safety, Emergency Services and Enforcement: Community Services Business Unit as contained in the report dated 5 April 2024 by the Chief Audit Executive (Ref: A5-2023/24) be APPROVED and that the Accounting Officer ensure the implementation of the following: -

1. The Deputy Municipal Manager: Community Services (Acting) ensure that:
   - The Disaster Management Policy Framework and Standard Operating Procedures be approved by Council for implementation.
   - The Policy Framework and Standard Operating Procedures once approved, be workshopped to all Disaster Management staff and other relevant stakeholders in the Municipality.
   - The Policy, Standard Operating Procedures and Pans be reviewed and updated regularly.
   - All critical posts are filled with immediate effect by management.
2. That the Manager: Disaster Management ensure that the Disaster Management Plan be reviewed and updated in accordance with the Guidelines issued by the Department of Cooperative Governance and Traditional Affairs (COGTA) regularly.
3. That the Disaster Management Plan be provided to the Department of Cooperative Governance and Traditional Affairs (COGTA) for their independent review and comment.
4. That a training plan / calendar be developed and aligned to the staff Personal Development Plans each year and be submitted to the Human Resource Management Unit.
5. That training must be considered and factored into budget preparation.
6. That internal training must be provided to staff identified and if for reasons it could take place such should be reported on the monthly report to 1\/management Committee (MANCO) with recommendations thereof and not for "noting".

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7. That the Accounting Officer and the Deputy Municipal Manager: Community Services increase capacity (with adequate and relevant qualifications) within the Disaster Management Unit as a matter of urgency.
8. That the Manager: Disaster Management in consultation with the Human Resources Skills Development Unit, arrange for relevant trainings for these staff members to attend.
9. That the Senior Manager: Human Resources Management and Senior Management as a matter of urgency, resolve the position of these absorbed workers.
10. That the Human Resources Management Unit and Senior Management ensure that fair compensation be made to these affected staff members for optimal functioning of the Unit.
11. That the Accounting Officer and Deputy Municipal Manager: Community Services ensure that the vacant critical posts within the Disaster Management Unit be made priority posts and that the filling of these posts be executed as soon as possible.
12. That as soon as the critical operational posts are filled, Management must ensure that overtime is only employed, when necessary, in order to achieve the objectives of the Cost Containment Regulations.
13. That the Shift Supervisor must ensure that staff complement is conforming to the internal minimum manning level at all times.
14. That supervisory controls must be strengthened to ensure that minimum manning level be achieved at all times.
15. That the Manager: Disaster Management in consultation with the Senior Manager: Human Resources Management, must utilize Systems Application and Products System (SAP) for Leave Monitoring.
16. That the Leave Policy must be workshopped to all Disaster Management staff members.
17. That supervisory controls in monitoring of the Leave System must be strengthened.
18. That the Deputy Municipal Manager: Community Services, Senior Manager: Public Safety and Manager: Disaster Management must engage with the Senior Manager: Human Resources Management for revision of the Organogram for the business unit.
19. The Manager: Disaster Management Unit must develop and implement a Disaster Management Plan, which must include, amongst other items, a plan of how the limited available staff resources can be used to achieve optimum efficiency.
20. That the Accounting Officer must allocate additional funding to the Public Safety Unit to upgrade the dated ESS and installation of Radio Communication Systems in all Disaster Management vehicles.
21. That job related training must be provided to Disaster Management (including ECC) staff members.
22. That supervisory control over the accuracy and completeness of information recorded must be strengthened within the Unit.
23. That the Accounting Officer, Deputy Municipal Manager: Community Services and Senior Manager: Public Safety must ensure that the reports prepared by the Disaster Management Unit get the necessary attention by engaging the relevant stakeholders in discussions in the relevant meetings.
24. That matters tabled for consideration must also be tabled to the Executive Council Committee and Municipal Council for consideration.
25. That the Accounting Officer should ensure that: -
    - The forum is constituted in line with terms of reference and comprising of all critical stakeholders residing or operating within the municipal area of jurisdiction,
    - The forum must meet on quarterly basis to deliberate on issues of disaster management and fire services and
    - The forum must be led by the Accounting Officer or delegated authority to ensure the effective functionality of the committee.
26. That the Manager: Disaster Management must conduct Disaster Management workshops targeting all relevant management.
27. That the Manager: Disaster Management must consider developing an integrated capacity building plan that incorporates public awareness campaigns, surveys, etc.
28. That the Manager: Disaster Management must ensure that the minimum stock level of relief material be always kept.
29. That Management must document standard stock management procedures (including count, movement and reconciliation) and this must be communicated to staff who are involved with stock.
30. That supervisory control over stock management must be strengthened, including having proper segregation of duties, proper reconciliation review and consequence management.
31. That a realistic budget supported by business plan/needs analysis be prepared, reviewed and submitted to Senior Management for inclusion in the Municipality budget submission.
32. That the Disaster Management Unit notes the finding and that it must be noted that the realistic budget was previously submitted but it was reduced due to budget cuts.
33. That the Deputy Municipal Manager: Community Services, Senior Manager: Public Safety and Manager: Disaster Management must engage the relevant business unit(s) (SOE: GEVDI) to discuss the practical and necessary specifications of the Disaster Management Centre.
34. That the agreed project plan must be submitted to the relevant authorities for approval.
35. That the Accounting Officer, Deputy Municipal Manager: Community Services must seek funding and commence the development of the Centre.
36. That the Manager: Disaster and Senior Manager: Public Safety, Emergency Services and Enforcement must prepare an audit action plan and submit it to the Audit Committee and Portfolio Committee on Community Services.
37. That the Manager: Disaster and Senior Manager: Public Safety, Emergency Services and Enforcement must further update the audit action plan on quarterly basis and submit it to the Audit Committee and Portfolio Committee on Community Services.

5. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF ADVERTISING AND SIGNAGE: BUILDING CONTROL SUB-UNIT: SUSTAINABLE DEVELOPMENT AND CITY ENTITIES BUSINESS UNIT (REF: 3.10.1.1)

Report dated 9 April 2024 by the Chief Audit Executive (Ref: A8 of 2022/23). (Page 85 of Committee Circular No. 59 of 2024)

The Chief Audit Executive informed the Committee that this report was referred to the Deputy Municipal Manager: Sustainable Development and City Entities (Acting).and the Chief Financial Officer. He indicated that the Buildings Control Sub-unit was a revenue generating business unit. Chief Audit Executive also advised the Committee that the Chief Financial Officer was preparing a report analysing all revenue generating business units.

Committee members expressed their concern that there was a risk of staff making their own personal income through manipulating the system within the business unit resulting in a loss of revenue to Council. In addition to this, it was indicated that the business unit lacked policies.

It was
RESOLVED

That the Municipal Manager (Acting) ensures that the Deputy Municipal Manager: Sustainable Development and City Entities (Acting) provide the Audit Committee with an Action Plan and Policies that would prevent the loss of revenue within the business unit, with clear breakdown of findings into short term, medium term and long-term resolutions for the next meeting of the Audit Committee.

In support of the recommendations, it was subsequently
RESOLVED TO RECOMMEND THE FULL COUNCIL

That the findings on the Final Internal Audit Report on the Audit of Advertising and Signage within the Building Controls Sub-Unit of the Sustainable Development and City Entities Business Unit as contained in the report dated 9 April 2024 by the Chief Audit Executive (Ref: AB of 2022/23) be approved and that the Accounting Officer ensure the implementation of the following: -

1. That the Manager: Building Control ensures the following:
    - That a policy be developed to assist in monitoring the Building Control Section.
    - That the standard operating procedure manuals be updated, reviewed, and approved.
    - That the standard operating procedure manual includes all the names of the documentation and templates used on the Advertising and Signage process and purpose of each document.
2. That a person receiving applications, be different to the person processing and approving the application.

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3. That the applications must be reviewed by the Manager: Building Control.
4. That Law Enforcement Officers must be appointed.
5. That Law Enforcement Contravention Fines and penalties be charged I collected.
6. That all advertising be managed by the Advertising and Signage Section.
7. That the Senior Manager: Waste Management and Senior Manager: Town Planning and Environmental Management communicate and conclude the matter at hand.
8. That joint efforts be applied to ensure that maximum revenue be generated for the Municipality.
9. The SAC hold regular meetings and that the minutes of. These meetings be kept.
10. That the Signage Officer prepare a report of all applications received, and the report be submitted to SAC for approval.
11. That the Certificate of Approval for outdoor advertising signage be signed by the Chairperson of the SAC.
12. That the certificate of approval for outdoor advertising signage be issued for approval of the temporary signs.
13. That SAC members must complete the Declaration of Interest Forms.
14. That the signage complaints book should be maintained and reviewed by the Manager: Building Control.
15. That evidence of all the illegal signs removed by Signage Inspectors be filed.
16. That contraventions notices be issued to all the owners of illegal signs and copies of the notices must be filed.
17. That a fine/penalty be charged to the owners of all the illegal signs removed by the Municipality.
18. That the register for monitoring of approved temporary signage be maintained.
19. That temporary signage be inspected for removal after expiration of approval and be recorded in the register.
20. That the Deputy Municipal Manager: Sustainable Development and City Entities and Senior Manager: Town Planning and Environmental Management Affairs and Building Control Manager ensure that a register be implemented in order to keep track of all the applications received.
21. That the register be updated as and when applications are received, and the person who received the applications must also sign on the register.
22. That the applications lists be reviewed and signed off by the Manger: Building Control.
23. That the Senior Manager: Town Planning and Environmental Management and Manager: Building Control ensure that there is accurate and proper record keeping for Signage.
24. That the Deputy Municipal Manager: Sustainable Development and City Entities and Senior Manager: Town Planning and Environmental Management ensure that there be proper handing over when new managers or senior officials are appointed.
25. That the Deputy Municipal Manager: Sustainable Development and City Entities and Senior Manager: Town Planning and Environmental Management ensure that there be proper induction for new employees joining the Business Unit.
26. That the Manager: Building Control develop and implement a proper filing system for advertising and signage.
27. That the application forms received together with the submission requirements must be reviewed by the Manager: Building Control prior to approval by the Senior Manager: Town Planning and Environmental Management.
28. That applications that are not supported by all required documents are not processed until all required documents are submitted to ensure compliance.
29. That the Manager: Building Control develop and implement proper filing system for adverting and signage.
30. That the application forms received together with the submission requirements be reviewed by the Manager: Building Control before it is approved.
31. That Incomplete forms are not finalized until all required supporting documents are supplied.
32. That the list or register of Print Media Houses and Estate Agents operating within Msunduzi municipality be maintained by the Signage Section.
33. That the register/list be updated regularly with the new applications as and when received.
34. That the Accounting Officer and Chief Financial Officer ensure that the Municipality collects revenue from the Print Media Houses and Estate Agents who are operating within the Msunduzi Municipal boundary.
36. That the Advertising and Signage Unit collaborate with the Real Estate Unit to monitor businesses that are operating on Msunduzi council property in order to easily identify businesses with permanent signage.
37. That a bill for signage and rental be consolidated.
38. That the monthly reports submitted by JBC Media should be accompanied by the approved monthly management reports.
39. That a valid lease agreement be drawn up and be signed by both JBC Media and the Municipality.
40. That a report be prepared for any inspections of street poles conducted by Signage Officers or Inspectors.
41. That the Senior Manager: Town Planning and Environmental Management and Manager: Building Control, in consultation with the municipal Council update the Approved Register of Tariffs to reflect market-related rentals.
42. That customers' accounts be created on SAP, in order to ensure that proper billing takes place.
43. That the suspense account be cleared on a monthly basis and the payment should be allocated into the correct debtor account.
44. The Manager: Building Control in consultation with the Finance Support Manager should ensure that the customers' accounts are reconciled and that payments are allocated to the individual customer's account on SAP.
45. That monthly reconciliation performed be reviewed at different management levels.
46. That the Senior Manager: Town Planning and Environmental Management prepare an audit action plan and submit it to the Audit Committee and the Sustainable Development and City Entities Portfolio Committee.
47. That the Senior Manager: Town Planning and Environmental Management d further update the audit action plan on quarterly basis and submit it to the Audit Committee and the Portfolio Committee on Sustainable Development and City Entities.

6. FINAL INTERNAL AUDIT REPORT OF STORES AND LOGISTICS: SUPPLY CHAIN MANAGEMENT UNIT: BUDGET AND TREASURY OFFICE (REF: 3.10.1)

Report dated 9 April 2024 by the Chief Audit Executive (Ref: A25: 2023/24). (Page 143 of Committee Circular No. 59 of 2024)

In support of the recommendations, it was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the findings around the Final Internal Audit report of Stores and Logistics: Supply Chain Management Unit: Budget and Treasury Office as contained in the report dated 9 April 2024 by the Chief Audit Executive (Ref: A25: 2023/24) be APPROVED and that the Accounting Officer and Chief Financial Officer ensure the implementation of the following: -

(a) That the Senior Manager: Supply Chain Management ensure that:
- 1.1 The inventory stock count be conducted every quarter following the Rational Basis Count Pan that must be drawn up in the beginning of the year to ensure that each inventory item be counted during the year in accordance.
- 1.2 Consolidated quarterly stock count results be reported to the Chief Financial Officer to ensure compliance with the Inventory Management Policy and the Municipal Finance Management Act (MFMA).
- 1.3 High value and fast-moving inventory items be counted on a regular basis to identify possible inventory losses and theft timeously and conduct appropriate investigations, followed by disciplinary measures where misconduct have been identified.
- 1.4 The approved consolidated report of all changes made to the inventory system be submitted to the Chief Financial Officer on a monthly basis.
- 1.5 There be a security guard/store man located at the entrance of the stores to ensure that only authorized personnel are allowed entrance at the stores.
- 1.6 Inventory be stored in a secure area, under lock and key with limited authorized access only.
- 1.7 Take all the necessary steps to ensure safe custody of inventory items, precautions against loss or theft, including installation of properly functioning cameras.
- 1.8 No unauthorized persons/officials obtain entry to premises, buildings, or containers where inventory be stored, unless accompanied by the responsible official.
- 1.9 There be adequate segregation of duties between the requisition, receipt, recording, storage and safekeeping of inventory and the management and control which must be monitored to avoid the potential occurrence of errors, theft, and fraud.

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1.10 Additional store man, clerk, and general workers are appointed to ensure there be segregation of duties between receipt, recording, storage of inventory.
1.11 The Municipal Finance Management Act (MFMA) and Inventory Management Policy Management be complied with at all times.
1.12 The Inventory Management Policy be reviewed and updated to provide guidelines for physical inventory site visits.
1.13 The Standard Operating Procedure in place be reviewed and updated with a detailed process on signposting and installation of fire extinguishers.
1.14 The Inventory Management Policy Management be complied with at all times.

(b) That the Manager: Stores and Logistics ensure that:
2.1 The bi-weekly consolidated report of all changes made to the inventory system with supporting documentation for all changes made to the inventory system be prepared, reviewed, and approved.
2.2 The inventory master file on the SAP system be adequately and effectively maintained to ensure that it is accurate, complete and that it reflects all the procured inventory items.
2.3 The re-order levels report be prepared, reviewed, and approved annually, together with the supporting documentation.
2.4 The re-order listing be printed, reviewed, and approved daily, for use in request to replenish stock that has reached re-order levels, to ensure that inventory be always available when required, by user departments.
2.5 Physical inventory site visits of petrol sites be conducted regularly, to determine whether signposts are not worn out or removed, and that they be still clearly visible.
2.6 Fire extinguishing equipment be placed in the areas with inventories of an inflammable or dangerous nature.
2.7 Compliance with health and safety laws and regulations, at all times.
2.8 Physical inventory site visits of petrol sites be conducted regularly, to determine whether signposts are not worn out or removed, and that they be still clearly visible.
2.9 The Inventory Management Policy Management be complied with at all times.

That the Senior Manager: Supply Chain Management prepare an Audit Action Plan and submit it to the Audit Committee (Tuesday, 18 June 2024) and Finance Portfolio Committee.

That the Senior Manager: Supply Chain Management should further update the Audit Action Plan on a quarterly basis and submit it to the Audit Committee and Finance Portfolio.

7. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF MUNICIPAL OWNED PROPERTIES AND LEASING: REAL ESTATE SUB-UNIT (REF: 3.10.1.1)

Report dated 9 April 2024 by the Chief Audit Executive (Ref: A7 of 2022/23). (Page 1 of Committee Circular No. 75 of 2024)

Audit Committee members stressed that all reports before the committee that day had high risk issues which evidently proved that there was a lack of leadership throughout the Municipality.

It was
RESOLVED

(a) That as a matter of urgency, the Municipal Manager (Acting) ensure that legal opinion on the status of all evergreen leases, together with the rentals generated from these leases be compiled for the Audit Committee for further consideration on the way forward in addressing the financial practically of such leases with the aim of bringing these rentals to that of the value of current market related leases.
(b) the Municipal Manager (Acting) ensure that municipal by-laws must be addressed on an ongoing basis throughout the Municipality, with a view to increasing the revenue stream from enforcing the by-laws by issuing the appropriate fines.

In support of the recommendations, it was thereafter
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the findings around the Final Internal Audit report on Commercial Leases of Municipal Owned Properties: Asset & Liabilities Sub-business Unit: Budget and Treasury Office as contained in the report dated 9 April 2024 by the Chief Audit Executive (Ref: A7 of 2022/23) be APPROVED and that the Accounting Officer ensure the implementation of the following: -

1. That the Senior Manager: Assets and Liabilities ensure that an audit be performed on all the rentals that were not billed during the period when there were issues with billing and ensure that those rental charges are corrected, and that an allowance be made for them to be charged against the tenant's account.
2. That the Senior Manager: Assets and Liabilities ensure that all manual posting of rentals that were not billed through normal automated billing be reviewed and approved prior to the actual manual posting being processed into the SAP System by the Accountant.
3. That the Senior Manager: Assets and Liabilities ensure that monthly reconciliations be performed to ensure that all rentals from leases were accurately billed and paid.
4. That the Senior Manager: Assets and Liabilities ensure that a standard operating procedure manual be developed that will encompass a detailed process for rental escalations.
5. That the Senior Manager: Assets and Liabilities ensure that rental escalations be pre-approved and reviewed by management for accuracy and completeness prior to escalations being affected on the SAP System.
6. That the Senior Manager: Assets and Liabilities ensure that SAP Super User and other staff be adequately trained on rental escalations on the SAP system.
7. That Senior Manager: Assets and Liabilities ensure that formal and detailed standard operating procedures be developed and that Management also ensure that there be one consolidated document that is maintained, and relevant annexures used for examples.
8. That the Senior Manager: Asset and Liabilities engage with the key individuals when drafting the Standard Operating Procedure to ensure that all critical and key information be recorded, including all the names of the documentation and templates used on the Lease Management Process and the purpose of each document must be detailed.
9. That the Chief Financial Officer, Senior Manager: Asset Management and Manager: Real Estate ensure adequate retention of documents in line with the National Treasury Guidelines.
10. That the Msunduzi Municipality's Records Management Policy be reviewed and updated to include the duration of the retention of records; with the Treasury Regulations being used as a guide.
11. That the Senior Manager: Asset and Liabilities ensure that step-by-step processes be all included in detail in the Standard Operating Procedure Manual.
12. That the Senior Manager: Assets and Liabilities ensure that all open-ended and long-term leases be amended to comply with the current Policy; and that legal advice from the Legal Services Unit must be sought in terms of how to approach and commence with this task.
13. That Lease Contracts must be amended upon expiry or that Management seeks legal advice whether addendums may be put in place for new contracts or those with a long-term expiry date.
14. That the Lease Policy be updated to include long term leases that cannot be amended to ensure that it covers the Municipality, however this must be informed by the Legal opinion.
15. That Management benchmark with eThekwini in terms of how they terminated their long terms leases.
16. That Senior Manager: Assets and Liabilities ensure that the initial lease agreement includes a Clause to pay rentals after the expiry date of the lease for the period whilst the new lease application is concluded.
17. That the Senior Manager: Assets and Liabilities ensure that follow-ups be conducted to all tenants that had an expired lease but have not submitted a written notice to renew. Furthermore, tenants must be instructed to send a written instruction to renew the lease or apply for a new lease where there is no renewal option should the tenant wish to continue occupying the Municipal premises.

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18. That the Senior Manager: Assets and Liabilities ensure that there be a proper process outlined in the Standard Operating Procedure Manual regarding the steps to follow for the renewal of the lease contract.
19. That the Senior Manager: Assets and Liabilities ensure that tenants who are in breach or who did not carry out their account in satisfaction forfeit the option of renewal. This will assist in motivating the tenants to pay their obligations.
20. That the Senior Manager: Assets and Liabilities ensure that a document that will be used when reviewing the draft lease agreement be created. Furthermore, the document must be signed by the Manager: Real Estate as evidence that the draft lease agreements are adequate and include all the necessary information and clauses that cover both the Municipality and the tenant.
21. That the Senior Manager: Assets and Liabilities ensure that all lease agreements be submitted to the Legal Services Unit for vetting and ensuring proper scrutiny of the clauses in the lease agreements are adequate and cover both the tenant and the Municipality prior to concluding on the lease agreements.
22. That the Senior Manager: Assets and Liabilities conduct a monthly reconciliation on the rental payments and send letters of demand to tenants that's do not pay rentals, and that a 7 days' Notice be given to the tenant to pay as per their obligation.
23. That the Senior Manager: Assets and Liabilities ensure that the follow-up be made after 7 days should the tenant fail to pay or respond to the letters of demand.
24. That the Senior Manager: Assets and Liabilities develop an internal control for the rental payment arrangement for all tenants that are behind with their rentals and proper monitoring be conducted.
25. That the Senior Manager: Assets and Liabilities ensure that the cancellation of lease contracts for all tenants that are in breach of non-payment if no response or payment arrangement is made by the tenant after the receipt of the letters of demand.
26. That the Senior Manager: Assets and Liabilities ensure proper internal controls be created and implemented regarding crediting tenants' accounts for the rental overcharged.
27. That the Senior Manager: Assets and Liabilities review and approve all credit amounts before they are captured on the system, and that a thorough scrutiny of the supporting documentation by Real Estate management be conducted before the approval to credit the tenant's account.
28. That the Senior Manager: ·Assets and Liabilities ensure that the lease agreement breach clause be implemented for all tenants that are in breach.
29. That the Senior Manager: Assets and Liabilities ensure that adequate controls be put in place to monitor non-paying tenants and furthermore ensure that there be an efficient process to communicate these to Legal Services for the issuing of eviction letters and for the Legal Services Unit to provide feedback to the Real Estate Unit.
30. That the Senior Manager: Assets and Liabilities ensure that an annual compliance inspection be conducted by the Real Estate Officers on all properties that are leased.
31. That the Senior Manager: Assets and Liabilities ensure that inspection reports be completed as evidence that the Annual Compliance Inspections were conducted.
32. That the Senior Manager: Assets and Liabilities ensure that the team conducting inspections be accompanied by an individual who has technical knowledge of buildings so they can perform thorough inspections and avoid possible legal repercussions in the event of a building collapsing or structural damage etc.
33. That the Senior Manager: Assets and Liabilities ensure that a budget for the maintenance and repairs of the rental properties is included in the Real Estate Unit budget each financial year to assist as and when there be maintenance/repairs complaints issues.
34. That the Senior Manager: Assets and Liabilities ensure that all properties identified as poor state be included on the list and escalated to facilities management for quotation to repair.
35. That the municipality has suffered financial losses (revenue forgone) because of not allowing a tenant who was refused to take occupation of Tourism Hub thus causing further financial constraints to the Municipality fiscus.
36. That it be noted that the Municipality has suffered financial losses (revenue forgone) as a result of vacant properties which have not been advertised and other properties that are occupied either illegally or legally, but no rental was being paid to the Municipality thus causing further financial constraints to the Municipality fiscus.
37. That it be noted that municipal rental properties may be vacant for long periods which may result in illegal tenants occupying the properties and an increased opportunity for vandalism or damage of Municipal properties.
38. That the Senior Manager: Assets and Liabilities ensure that an action plan be formalized and documented and put in place to address the issue of monitoring, maintenance and repairs of municipal properties which are in a dilapidated state and I or vacant.
39. That the Senior Manager: Assets and Liabilities ensure that all illegally occupied tenants be evicted from municipal properties as per the lease policy.
40. That the Senior Manager: Assets and Liabilities ensure that the breached lease contracts register be created, and all relevant information recorded on the breached register.
41. That the Senior Manager: Assets and Liabilities ensure proper monitoring of the breached lease contracts register and the register be updated with the comments of action plan that were taken by real estate to remedy the breached.
42. That the Senior Manager: Assets and Liabilities ensure compliance with the lease agreement and ensure that all tenants that are in breach be given the right to cancel the lease should the tenant not remedy the breach.
43. That the Senior Manager: Assets and Liabilities ensure that the SAP Super User adequately updates records on the SAP system for accuracy of the lease register as it is extracted from SAP system.
44. That the Senior Manager: Assets and Liabilities ensure that all changes or updates that have been captured on the lease register be reviewed for accuracy and completeness.
45. That the Senior Manager: Assets and Liabilities ensure that the Real Estate Accountant prepares proper reconciliations between the amounts that be recorded on the lease register to the amounts that were billed on the SAP system.
47. That the Senior Manager: Assets and Liabilities ensure that random spot checks/reviews of the information recorded in the lease register are conducted monthly to ensure that data integrity be achieved.
48. That the Senior Manager: Assets and Liabilities ensure that the Real Estate Officer/SAP Super User checks the information recorded during the capturing of the lease agreements against what is on the lease register and that any differences be confirmed and timeously corrected and updated.
49. That the Senior Manager: Assets and Liabilities ensure that an audit be performed on all the recreational leases that are not being charged the standard nominal rental as per the lease management policy and ensure that these leases are charged the correct recreational lease rental.
50. That the Senior Manager: Assets and Liabilities ensure that the lease agreements be reviewed, and rentals updated to ensure that future loss of Revenue is avoided. Furthermore, possible recoveries of rentals that were undercharged from the recreational leases should be looked at by Management.
51. That the Senior Manager: Assets and Liabilities ensure that proper valuation of the leased properties be conducted to determine a fair market related rental.
52. That the Municipal Council commission a forensic investigation to be conducted to identity an official(s) who caused the Municipality to forgo revenue at Collegians Club at the time when the Municipality has so severe financial constraints due to non-payment for services, rates and lack of collection of revenue from advertising and signage and from tenants who are renting municipal properties.
53. That the Senior Manager: Asset and Liabilities ensure that a Standard Operating Procedure Manual encompasses a detailed process and procedure for performing reconciliations of the finance file and the real estate module file that will yield an improved collection of accurate rental revenue.
54. That the Standard Operating Procedure manual must be updated to include the management review procedures on reconciliation and the timing for the performance of reconciliations.
55. That the Municipal Council comm1ss1on a forensic investigation to be conducted to identity an official(s) who caused the municipality to forgo revenue the billing in relation to the Real Estate billing at the time when the municipality has so severe financial constraints due to non-payment for services, rates, and lack of collection of revenue from tenants who are renting municipal properties.
56. That the Senior Manager: Assets and Liabilities ensure that the Manager: Real Estate and Valuations facilitate the rent review process as per the requirements of Section 11.5.7.1 of the Lease Management Policy and the lease agreements.
57. That the Senior Manager: Assets and Liabilities ensure that the Manager Real Estate and Valuations closely monitor business leases and ensure that they are following the conditions of the lease agreements.
58. That the Municipal Council Commission a forensic investigation to be conducted to identity an official(s) who caused the Municipality to forgo revenue at flat rate that is being charged at the time when the Municipality has so severe financial constraints due to non-payment for services, rates, and lack of collection of revenue from advertising and signage and from tenants who are renting municipal properties.
59. That the Senior Manager: Asset and Liabilities ensure that all business leases of the municipality be administered under one central business unit.
60. That the Municipal Council commission a forensic investigation to be conducted to identity of an official(s) or some Business Leasing being managed by other Business Units and.! l2! by the Real Estate as this poses a risk of corruption.

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61. That the Senior Manager: Assets and Liabilities should ensure that a Valuer be appointed, and the Manager Real Estate and Valuation should facilitate the valuation process for all business leases to review the market-relatedness of the rentals charged.
62. That the Senior Manager: Assets and Liabilities ensure that all business rentals be updated on the SAP system with the results from the valuation process to ensure that market-related rentals are being charged.
63. That the Municipal Council commission a forensic investigation to be conducted to establish the reasons why there was relatedness of rentals charged for business leases as this poses a risk of corruption.
64. That the Senior Manager: Assets and Liabilities ensure that an audit be performed to establish all leased properties that are not being charged municipal services and prepare a report that will detail the reasons as to why this is the case.
65. That the Senior Manager: Assets and Liabilities ensure that communication be made between Finance and the relevant engineering services to establish a way forward in terms of how a pro rata calculation or separate meters can be installed to ensure that these leased properties are accurately charged for usage of municipal services.
66. That the Senior Manager: Assets and Liabilities develop a detained Standard Operating Procedure and include pertinent details of handling business leases.
67. That the Manager: Real Estate and Valuation closely monitor each individual lease.
68. That the Senior Manager: Assets and Liabilities ensure that the Manager: Real Estate and Evaluations review all lease files on a regular basis to ensure the credibility of lease information.
69. That the Manager: Real Estate and Valuation ensure that there be proper and continuous communication within her section about the information pertaining to business leases.
70. That the Senior Manager: Assets and Liabilities ensure that random spot checks/reviews of the information recorded in the lease register and SAP system against the source documents (lease agreements) are performed monthly to ensure completeness and accuracy of data.

71. That the Senior Manager: Assets and Liabilities ensure that checks between the information recorded during the capturing of the lease agreements is checked against what is recorded on the lease register and the SAP system, and any differences be confirmed and timeously updated.
72. That the Senior Manager: Assets and Liabilities ensure that Manager Real Estate and Valuations review and approve the changes to the tenant's account.
73. That the Manager Real Estate and Evaluation must conduct an Audit on the 2 Accounts Delta Property Fund and K2014 on rental charging since inception for both accounts and perform correct adjustment on rental overcharging, undercharging and non- charging.
74. That the rental reduction be properly authorized by the authorized delegated Management.
75. That the Manager Real Estate and Valuations and Senior Manager Asset and Liabilities must perform management reviews on lease documentation.
76. That the Manager Real Estate and Valuations must develop a filling system that will be followed for filing and storing all information pertaining to business leases.
77. That documents within the file must be referenced to a file index.
78. That employees within the Real Estate Management Unit must be workshopped on the filling method developed to ensure a uniform filing system for all business leases.
79. That the Senior Manager: Assets and Liabilities that management develops and standardizes one format that will be used for rent reviews and rent review letters.
80. That the Senior Manager: Assets and Liabilities d ensure that the Manager Real Estate and Valuations reviews and appropriately approves the rent review letters.
81. That the Senior Manager: Assets and Liabilities ensure that the rent review letters are checked against the escalation calculations and lease agreements to ensure correctness and validity of the changes.
82. That the Senior Manager: Assets and Liabilities prepare an audit action plan and submit it to the Audit Committee and Finance Portfolio Committee.
83. That the Senior Manager: Assets and Liabilities further update the audit action plan on quarterly basis and submit it to the Audit Committee and Finance Portfolio Committee.

11. INTERNAL AUDIT REPORT ON RISK ASSURANCE ON SAP RE-IMPLEMENTATION OF MSCOA: REPORT NUMBER A17(A)I2023/24(REF:3.10.1.1)

Report dated 16 April 2024 by the Chief Audit Executive (Ref: A17(A) of 2023/24). (Page 184 of Committee Circular No. 75 of 2024)

The Chief Financial Officer was requested to ensure that invoices to the SAP Service Provider were not paid until such time that the Internal Audit Unit had verified the completion of the work. It was advised that this report was discussed with the SAP Service Provider.

It was mentioned that the Chief Risk Officer would be required to meet with the Chief Financial Officer and the Chief Audit Executive to compile a project risk register for this Project.

In support of the recommendations, it was
RESOLVED

(a) That as a matter of priority, the Chief Financial Officer must ensure that invoices by the SAP Service Provider were not paid until such time that the Internal Audit Unit had verified the completion of the work.
(b) That the Chief Risk Officer would be required to meet with the Chief Financial Officer and the Chief Audit Executive to compile a Project Risk Register for the SAP-Reimplementation of MSCOA Project.

It was thereafter
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the findings around the Final Internal Audit report on Risk Assurance on SAP reimplementation of mSCOA as contained in the report dated 16 April 2024 by the Chief Audit Executive (Ref: A17(A) of 2023/24) be APPROVED and that the Accounting Officer ensure the implementation of the following: -

It is recommended that management adopts project governance principles in the implementation of this project as follows:-

1.1 Documentation needs to be signed off by the relevant management structures.
1.2 Project Management and governance principles should be developed and implemented. Project documentation should also be stored in a central repository (preferably Solution Manager once in order.
1.3 Technical specifications that inform system development/ configuration should be drafted.
1.4 The Service Level Agreement (SLA) stipulates business process re-engineering as an activity during support activities. Even though these are not documented at the municipality, consideration needs to be given to how these will be addressed to satisfy the SLA requirements.
1.5 Prior to Migration of the development to production, it is recommended that management signs off the relevant documentation in sight of deliverable governance and approval.
1.6 The deliverables of the Phase 2 schedules are acknowledged, however documentation pertaining to Phase 2 has not been evidenced on file.
1.7 The documentation for Phases 1 and 3 do touch on aspects of Phase 2 and the recommendations on these two phases are therefore applicable to Phase 2 as well.
1.8 The deliverables of the Phase 3 schedules are acknowledged, however formal sign off of project documentation must be adopted.
1.9 UAT sign offs are on file for some sections of the Phase 3 deliverables, and the support team should ensure that these are standardized across all components including the detail of what was being tested on UAT so that these can be auditable.
1.10 The deliverables for the investments and borrowings strings must be completed. In the event of these being in progress the support team can compile a status report representing the completion status of the outstanding items.
1.11 Governance principles and project documentation are as per prior phases above are applicable to this phase as well.
1.11 An SLA should be finalized and signed for the SAP reimplementation panel vendors.
1.12 A detailed project plan should be drafted for the SAP reimplementation programme/ project detailing the various stages that should be implemented and the projected timelines. The project plan should be presented to management for approval and sign off.

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1.13 The licenses for undeveloped modules must be procured.
1.14 The panel must be utilized to ensure that key modules are timeously implemented

1.2 It is recommended that the implementing team ensure that deliverables submitted for assurance are complete and auditable. Management should further implement project oversight controls including: -
  1.2.1 Review and sign off of an actual project plan for this project.
  1.2.2 Formulate a project oversight committee to review, approve and adopt completed project milestones.
1.3 It is recommended that the Risk department actively participates in the SAP reimplementation project and perform: -
  1.3.1 A comprehensive risk assessment for the SAP Reimplementation project and the affiliated deliverables.
  1.3.2 Updates identified risks onto the corporate risk register.
  1.3.3 Periodically assess the applicability of the risks.
  1.3.4 Reports to the oversight committees on the status of residual risk and the impact to the municipality. Further ensure that reporting is integrated into the ICT steering committee.

12. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF WRITE-OFF OF THE DECEASED DEBTORS AS IRRECOVERABLE (REF: 3.10.1.1)

Report dated 16 April 2024 by the Chief Audit Executive (Ref: A16-2023/24). (Page 226 of Committee Circular No 59 of 2024)

In response to a query, it was pointed out that some consumers were not in a financial position to change ownership of properties in the event of the death of the debtor.

Audit Committee members suggested that the Chief Financial Officer categorize households, stressing that it was crucial to recover revenue from deceased debtor households. It was indicated that in this scenario, the only way to get accountability from the household of the deceased debtor would be to disconnect services. It was requested that such debtor accounts must be isolated from other accounts so that the business unit would be able to determine whether the occupants of a deceased debtor's home qualified for indigent status.

The business unit was commended for their report and was requested to undertake benchmark exercises with other municipalities to determine how they were administering debt on deceased debtor accounts.

It was mentioned that in normal practice, the account of a deceased person would be closed in the event of death, and that consideration could also be given to the practicality of implementing this route.

It was
RESOLVED

(a) That the Chief Financial Officer in conjunction with the Senior Manager: ICT makes the relevant enquiries with the Department of Home Affairs and the Masters Office to have their systems linked to the Municipality to develop a practical application to verify details for deceased debtors.
(b) That the Chief Financial Officer undertake benchmark exercises with other municipalities to determine how they were administering debt on deceased debtor accounts.

In support of the recommendations, it was thereafter
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the findings around the Final Internal Audit report of the Write-off of the Deceased Debt (Bad Debt) as Irrecoverable contained in the report dated 16 April 2024 by the Chief Audit Executive (Ref: A16-2023/24) be APPROVED and that the Accounting Officer ensure the implementation of the following: -

(a) That the Chief Financial Officer enforce the requirements of the Credit Control and Collection Policy with regards to disconnection or restriction of debtors long outstanding without any payment.
(b) That the Chief Financial Officer contemplate an investigation into failure to effectively implement the Credit Control and Collection Policy culminating into the unjustified prescription and write-off.
(c) That the Credit Control and Debt Collection Policy be reviewed to include a detailed process on how the Municipality will identify and make efforts to collect from deceased debtors accounts in its books including the process of disconnecting or restricting services on deceased debtors accounts; with Alternative avenues for exploration in the policy may include claims from the deceased estate through the master of the high court or even establishing an Executor looking after the estate on behalf of the deceased for negotiation to settle the debt in part or in full.
(d) That Management should fast track the implementation of the new staff establishment as approved in October 2023 to enable full capacitation of the debtors' section within the Municipality.
(e) That the Chief Financial Officer ensure that a hand over process should be part of the contract between the Debt Collectors and the Municipality to ensure that, at the end of the contract with the Debt Collectors, there is a seamless handover process for continuity in terms of implementing the Credit Control and Debt Collection Policy.
(f) That the Chief Financial Officer initiate a process of identifying deceased debtors with surviving spouses for possible recovery of the monies owed to the municipality.
(g) That the Chief Financial Officer contemplate an investigation into failure to effectively implement the Credit Control and Collection Policy culminating into the unjustified prescription and write-off of approximately R87 259 812.
(h) That the Chief Financial Officer enforce the Credit Control and Debt Management Policy by entering into payment arrangements with family members who wish to settle deceased person's debt or a portion thereof for them to continue receiving municipal services pending the winding up of an estate.
(i) That the Chief Financial Officer initiate a process of identifying deceased debtors with surviving spouses and transfer the account to surviving spouses instead of waiting for the executor of estates to notify the Municipality. Furthermore, the Credit Control and Debt Collection Policy must incorporate a process of transferring the accounts of deceased debtors to their surviving spouses in cases where applicable depending on investigations undertaken by the Municipality.
(j) That Management implements a staff establishment in the debtor's section that is commensurate to execution of duties and implement the credit control and debt control processes on an interim basis when the contract with the appointed debt collectors expires.
(k) That the Chief Financial Officer implement the cutting of electricity services and/ or block the purchasing of pre-paid electricity related to the deceased consumer accounts in terms of the requirements of the Policy and restrict and/ or interrupt the supply of water.
(l) That the Chief Financial Officer initiate a process of identifying deceased debtors with surviving spouses and make endeavours to recover the monies from the surviving spouses.
(m) That, furthermore, the Credit Control and Debt Collection Policy incorporate a process of identifying and transferring accounts of deceased debtors to their surviving spouses in cases applicable.
(n) That Management implements a staff establishment in the Debtor's Unit that is commensurate for inherent functions, i.e. effective implementation of the credit control and debt collection processes.
(o) That the contracts with the Debt Collectors include a hand over process to ensure that there is no vacuum left which may result in debtors being prescribed due to non-implementation of the Credit Control and Debt Collection processes as outlined in Policy.
(p) That the Legal Services Unit of the Municipality advise management of any changes in legislation which impact credit control and collection processes and the potential impact for Management to take action.
(q) That Management implements a staff establishment in the Debtor's Unit that will be able to execute duties and implement the credit control and debt control processes on an interim basis when the contract with the appointed Debt Collectors has expired.

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(r) That the Accounting Officer commission a forensic investigation which will determine how much should be recovered that was written off on deceased debtors accounts which continued to show signs of consistent billing without any payment and had no payment arrangements in place as per Annexure E attached to this report and who should be held accountable.
(s) That the Accounting Officer ensure that through co-operative governance, the Municipality must engage third parties such as the Department of Home Affairs and the Office of the Master of the High Court to innovatively explore possible and cost effective ways to identify deceased debtors timeously and that these engagements also enlist services IT specialists and Chief Information Officers who might be crucial during these engagements to assist municipalities collect revenue that is due regardless of whether the debtor is surviving or not.
(t) That the Senior Manager: Revenue Management should liaise with Senior Manager: Expenditure as a Project Manager of SAP re-implementation and Zimele Technologies to set-up and activate a link on SAP with Home Affairs and Banks systems in order to be able to validate banking details of employees and service providers/ creditors, including the alive or deceased and marital status verification of Msunduzi customers.
(u) That as a consequence of the above initiative and once measures have been formerly endorsed by Council and all interested parties, the Credit Control and Debt Collection Policies must be reviewed to include a detailed process on how the Municipality will identify and make efforts to collect from deceased debtors accounts including a process of disconnecting or restricting services on deceased debtors accounts; with alternative avenues for exploration in the Policy may include claims from the deceased estate through the Master of the High Court or even establishing an Executor looking after the estate on behalf of the deceased for negotiation to settle the debt in part or in full.
(v) That Management makes every effort to fast track the implementation of the new staff establishment as approved in July 2023 to enable full capacitation of the Debtors' Section within the Municipality.
(w) That the Chief Financial Officer and Senior Manager: Revenue Management prepare an Audit Action Plan and submit it to the Audit Committee and Financial Services Portfolio Committee that address the following: -
- all necessary steps taken or to be taken to recover financial losses and to remove or address any harm caused.
- internal controls have been strengthened to prevent further losses and harm where are consequences (including disciplinary processes) for any wrongdoing; and
- if applicable, the matter has been handed over to a law-enforcement agency.

That the Senior Manager: Revenue Management further update the Audit Action Plan referred to in recommendation (w) above on a quarterly basis and submit it to the Audit Committee and Financial Services Portfolio Committee.

13. REPORT TO THE AUDIT COMMITTEE ON THE STATUS UPDATE ON THE IMPLEMENTATION OF THE 2023/2024 ANNUAL AUDIT PLAN (REF: 3.10.1.1)

Report dated 16 April 2024 by the Chief Audit Executive (Ref: SU No.5 of 2023/24). (Page 305 of Committee Circular No 59 of 2024)

The Chief Audit Executive reported that the Internal Audit Unit had a challenge with a shortage of laptops. He indicated that arrangements would be made with the ICT Unit to utilize old laptops, as the shortage of tools of trade was affecting the output of work within the Unit. The Chief Audit Executive reported that Management conducts regular Strategic Planning Sessions for Management. However, these Sessions did not address how Management would be addressing the challenges within the Internal Audit Unit in terms of tools of trade, human capital and office accommodation.

The Municipal Manager (Acting) was requested to give consideration to the challenges raised by the Chief Audit Executive.

In support of the recommendations, it was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

(a) That the Implementation of the Annual Internal Audit Plan for the 1st, 2nd and 3rd Quarter of the 2023/2024 Financial Year as contained in the report dated 16 April 2024 by the Chief Audit Executive (Ref: SU No.5 of 2023/24) be APPROVED and that the challenges facing the Internal Audit Unit be NOTED.
(b) That APPROVAL be granted for the Value for Money Audit on Selected Projects which had been requested by the Municipal Manager be moved to the2024/2025 Financial Year.
(c) That the proposed changes to the Annual Audit Plan be APPROVED.

14. FINAL INTERNAL AUDIT REPORT ON THE PERFORMANCE AUDIT OF THE WASTE MANAGEMENT AND LANDFILL SITE (REF: 3.10.1.1)

Report dated 16 April 2024 by the Chief Audit Executive (Ref: A4 of2023/24). (Late Item Circulated Separately on the Audit Committee Agenda Link)

The Municipal Manager (Acting) reported that the Repairs and Maintenance Budget would be ring-fenced. He stressed that consequence management must start at departmental level. He pointed out that the problem was that staff did not know how to main municipal vehicles. In addition to the challenge of poor staff attitude within this business unit. He reported that security protocols within the Department needed attention. The Municipal Manager (Acting) also reported that out of a total 27 waste removal trucks, only 6 or 7 trucks were currently operational.

In support of the recommendations, it was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the findings around the Final Internal Audit report on the Performance Audit of the Waste Management and Landfill site as contained in the report 16 April 2024 by the Chief Audit Executive (Ref: A4 of 2023/24) be APPROVED and that the Accounting Officer ensure the implementation of the following:

1. That the Deputy Municipal Manager: Community Services ensure that actual Waste Management Services provided and that this includes investigation of revenue variances in line with the Municipal Finance Management (MFMA) Circular No. 71 and best practices.
2. That the Deputy Municipal Manager: Community Services in conjunction with the Chief Financial Officer reprioritise the budget allocated to overtime, repairs and maintenance in order maximize the Return on Investment in terms of resources (i.e. perhaps consider allocating more on repairs and maintenance than on overtime).
3. That the Deputy Municipal Manager: Community Services develop and workshop Policies and Standard Operating Procedures (SOPs) to provide workflow blueprint for Waste Management activities and employees as this would assist in the reduction of inefficiencies whilst regulating employee behaviour within the business unit.
4. That the Deputy Municipal Manager: Community Services conduct operational scheduling and vehicle planning based on information retrieved from the Landfill Site which indicates the volume of weight produced by each collection area as recorded at the weighbridge.
5. That the Deputy Municipal Manager: Community Services introduce measures to ensure consistent communication of waste collection activities and/or awareness in terms of the collection times, delays and/or backlogs.
6. That the Deputy Municipal Manager: Community Services put together a Financing Strategy for approval by Council that must include the sourcing of funding nationally and internationally within the confines of the legislation underpinning local government; and that the mayor may be entrusted with the responsibility to be the Champion of the funding strategy.
7. That the Deputy Municipal Manager: Community Services prioritizes the approval of the IWMP Management to ensure compliance with the relevant and onerous acts and regulations.
8. That Management ensures that adequate measures (human capital) be in place in order for the Waste Management Unit to discharge its responsibilities efficiently and effectively.
9. Noting that the intention of organizational policies is to instil standardization throughout the operational activities within a function thus, reducing the risk of adverse eventualities. In addition, policies and procedures streamline employee behaviour in such a way that is congruent to the short, medium and long terms aspirations of the organization thus, providing reasonable prospects to achieve objectives economically, efficiently and effectively whilst reducing individual discretion. It is further asserted that Policies are also a mechanism to manage risk and keep within the approved risk tolerance level (Kelly, 2021).

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10. That the Deputy Municipal Manager: Community Services ensure that that Waste Management Policies and Standard Operating Procedures be timeously developed, approved and workshopped to reduce the risks of non-compliance with the applicable legislation and ineffective implementation of the Municipality's Waste Management mandate and that the Policy Development Process amongst consider the following approach: -
    - Environmental Scan (understand challenges confronting the department),
    - Root causes to the challenges (employee factors, operational factors, resource factors, etc),
    - Legislative requirements,
    - Policy position,
    - Policy guidelines,
    - Risk management activities and tolerance (within Waste Management Unit),
    - Roles and Responsibilities,
    - Monitoring and Evaluation,
    - Consequence Management Policy review.
11. That the Accounting Officer consider the services of an expert in Waste Management to provide input on best practices including benchmarking with similar sized municipalities.
12. That once approved, the Policies and Standard Operating Procedures be workshopped to all employees for efficient implementation and that the workshop infuse Change Management activities to ensure effective buy-in.
13. Noting that decision-making entails a process of conceiving conclusions on alternative choices in the quest to achieve predetermined objectives within the constraints of allocated resources. Decision making is an involved process encompassing "issue-framing/understanding or issues", intelligence-gathering/collation of reliable information, deducing conclusions based on the collated information and operational experiences. Much emphasis is placed on "Intelligence-gathering" because the lack of accurate and/or credible information poses has an adverse effect on decision-making (Schoemaker, Russo, 2017).
14. Against this background, the Audit Committee recommends that the Accounting Officer ensure that adequate standard reporting templates be developed and implemented to preservation the credibility of performance information for effective monitoring and evaluation of waste management activities.
15. That the Accounting Officer improves the reporting system within the Waste Management Unit, and that the following be noted in the quest to ensure quality performance reporting:
    - Nature of Waste Management Operations,
    - Strategic indicators and targets for Waste Management reporting,
    - The types of information to be reported on, including waste collection backlogs,
    - Sources of information to generate the information,
    - Frequency of generating and reporting such information (daily, weekly, monthly, quarterly, bi-annually and annually),
    - Templates to be utilized to collate and package such information,
    - Officials at different levels to implement the reporting templates (i.e. drivers, foreman, supervisors, operational managers, managers and senior managers.
16. That the recommended reporting system also find expression in the Waste Management Policy for effective enforcement and Consequence Management.
17. That the Policy be workshopped to all employees for effective implementation.
18. That the Accounting Officer ensure that Waste Management Fleet drivers and operating staff undergo training and/or periodic refresher assessments on the compactor truck operating manual and vehicle and equipment maintenance and safety checklist to reduce the number of faults due to negligence.
19. That the Accounting Officer ensure that a Cost versus Benefit Analysis between insourcing of the repairs and maintenance and purchasing the vehicles and trucks be performed, together with a Maintenance Plan. In this regard, the services of an expert be enlisted to perform the Study to depict Advantages and Disadvantages (financial and non-financial) of both perspectives to inform Management and Council decision-making on the most viable option.
20. That where the choice is to continue insourcing the repair and maintenance activity, the Accounting Officer and Council consider developing a comprehensive preventative long-term Waste Management Fleet Maintenance and Capital Replacement Plans (i.e. covering a terminal period of 5 years) to minimize and/or avert unreasonable frequent breakdowns and that the Working Capital injection take into account the already exorbitant spending on overtime, which could be minimized if the trucks and vehicles are maintained well and /or repaired timeously for reinstatement into operations.
21. That the Accounting Officer ensure that an investigation into the High and Frequent Breakages on Waste Management trucks and vehicles, and where necessary, consequence management be instituted accordingly on officials responsible including those responsible for dereliction of duty, and that the Tracker Report serve as an appropriate premise to inform instigation of the recommended investigation.
22. That the Accounting Officer ensure that an audit on the State of the Waste Management Support Functions (Fleet Management and Mechanical workshop) be performed to achieve integrated solutions to the noted shared inefficiencies.
23. In general, it be noted that maintenance encompasses a combination of all technical and administrative actions, including supervision, which ensures that an asset or system functions optimally as intended. Maintenance involves a collection/combination of catalyst maintenance actions, i.e. repairing, replacing, overhauling, inspecting, servicing, adjusting, testing, measuring and detecting faults in order to avert failure disruption in operations). Structured and resourced maintenance minimizes failure and prolongs the life span of an asset (Kamaruddin, et, al. 2017). In this context, it is recommended as follows:
24. That the Accounting Officer ensures that a Cost versus Benefit Analysis between insourcing of the Repairs and Maintenance and the Purchasing of the vehicles and trucks together with a Maintenance Plan. In this regard, the services of an expert should be enlisted to perform the study to depict advantages and disadvantages (financial and non-financial} of both perspectives to inform management and council decision-making on the most viable option.
25. That where the choice is to continue insourcing the repair and maintenance activity, the Accounting Officer develop a comprehensive preventative long-term Waste Management Fleet Maintenance and Capital Replacement Plans for Council approval and adoption (i.e. covering a terminal period of 5 years) to minimize and/or avert unreasonable frequent breakdowns; and that the Working Capital Injection take into account the already exorbitant spending on overtime, which could be minimized if the trucks and vehicles are maintained well and /or repaired timeously for reinstatement into operations.
26. Thus, the Accounting Officer ensure that the Comprehensive Preventative Maintenance Plan must inform the budget process for maintenance and repairs as part of the operational budget.
27. That the Accounting Officer ensure that an Internal Control Framework be developed to map out the Waste Management Unit's value-chain processes and integrating the various roles and contributions in order to deliver efficient, economical and effective waste management services, with the Value-Chain process taking the following factors into cognizance: -
    - Definition of key functions with Waste Management in line with the IWMP,
    - Waste Management Planning and coordination of capabilities (financial and non-financial resources)
    - Waste Collection Scheduling, implementation, monitoring and reporting
    - Utilization and maintenance of vehicles and / or trucks (whether in house on outsourced),
    - Cost minimization and revenue maximization (cost-centre model) and Value preservation (impact analysis).
28. That once developed, the IC Framework be workshopped to all staff for effective implementation and accountability.
29. That the Comprehensive Preventative Maintenance Plan must inform the budget process for maintenance and repairs as part of the operational budget along with the effectiveness of human capital management is measured by, inter-alia, the number of positions filled in the organizational structure and the turnaround time taken to fill vacant positions (Pattrick and Mazhar, 2021).
30. That the Accounting Officer ensure that adequate measures (human capital) be in place in order for the Waste Management Unit to discharge its responsibilities efficiently and effectively, including the prioritization of requisite human resources for the Unit to thrive. To this extent, the Human Capital/talent Management Plan to clearly outline the milestones with respect to enlisting human capital, the related processes and timelines to ensure that the required resources (skills and competencies) be in place.
31. That the population of the Organogram/filling of vacant and budgeted positions in the approved Organizational Structure be translated into an indicator to be assigned to the Deputy Municipal Manager: Corporate Services and Senior Manager: Human Resources Management to ensure effective implementation of the talent human capital recruitment plan of the municipality (the principle of 'What is Measured gets Done" holds through).
32. That the Accounting Officer in conjunction with the Chief Financial Officer committee additional financial resources for the appointment personnel by redirecting the overtime spend towards appointing permanent employees in the Waste Management Unit, it being noted that this would be a wise move to curb excessive overtime cost whilst ensuring the Return on Investment (ROI).
33. That the Accounting Officer ensure that a Determination Investigation undertaken with respect to the alleged/possible dereliction of duty by some officials involved in the recruitment and placement processes within the Municipality, and where necessary, Consequence Management must be instigated.

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34. That the Accounting Officer review the current Call Centre to ensure the integration of the Waste Management Unit into the Central Call Centre System of the Municipality.
35. That the Accounting Officer ensure that a Standard Operating Procedure Manual (SOP) be developed for the efficient and effective administration of customer complaints related to Waste Management.
36. That based on the Customer Care Policy, the Accounting Officer must ensure that the Call Centre Unit generate a monthly, quarterly, bi-annual and annual reports with respect to the efficiency with which complaints are administered congruent to the Customer Care Charter.
37. That the Accounting Officer ensure that comprehensive Customer Satisfaction Survey that includes all categories of service delivery provided by the Municipality be developed in order to gain valuable insights on perceptions of customers with respect to service delivery, and thereafter initiate strategies that will improve services and governance of Waste Management services.
38. That the Accounting Officer should expedite the approval of the Waste Management Recycling Program to minimize environmental damage, conserve resources, and promote a sustainable future for the community of Msunduzi.
39. That where necessary, the Accounting Officer ensures that the Customer Service Charter is aligned to the current business processes, related regulations and best practices.
40. That the Accounting Officer, in conjunction with the Chief Financial Officer, ensure that measures be instituted for effective and efficient billing and collection of monies due to the municipality.
41. That the Accounting Officer establish a joint effort between the Revenue and Waste Management Business Units to establish standard processes to ensure the timeous identification and correction of inconsistencies in customer billings for Waste Management Services.
42. That the Accounting Officer ensure that the Deputy Municipal Manager: Community Services in conjunction with the Senior Manager: Waste Management prepare an audit action plan for the findings addressed in this report and submit it to the Audit Committee and Community Services Portfolio Committee.
43. That the Deputy Municipal Manager: Community Services and the Senior Manager: Waste Management further update the audit action plan referred to in Item 42 above on quarterly basis for submission the Audit Committee and Community Services Portfolio Committee.

15. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF PERFORMANCE INFORMATION MID-TERM FOR 2022/2023 FINANCIAL YEAR (REF: 3.10.1.1)

(Item 10 on agenda)

It was
RESOLVED

That consideration of the item on the Final Internal Audit Report on the Audit of Performance Information Mid-Term for 2022/2023 Financial Year be WITHDRAWN from the current agenda.

16. INFORMATION COMMUNICATION TECHNOLOGY (ICT) AUDIT ACTION PLAN PROGRESS: 2022/2023 FINANCIAL YEAR (REF:3.10.1.1)

Report dated 5 March 2024 by the Deputy Municipal Manager: Corporate Services. (Page 118 of the agenda)

It was
RESOLVED

That the report dated 5 March 2024 by the Deputy Municipal Manager: Corporate Services Status of the Information Communication Technology (ICT) Unit Auditor General AG Action Plan be NOTED.

17. CORPORATE SERVICES: LEGAL AUDIT ACTION PLAN PROGRESS: 2021/2022 FINANCIAL YEAR (REF: 3.10.1.1)

Report dated 29 February 2024 by the Deputy Municipal Manager: Corporate Services. (Page 125 of agenda)

It was
RESOLVED

That the report dated 29 February 2024 by the Deputy Municipal Manager: Corporate Services on progress made in providing Legal Support to the action plans of business units to address findings for the 2021/2022 Financial Year be NOTED.

18. CORPORATE SERVICES: LEGAL AUDIT ACTION PLAN PROGRESS: 2022/2023 FINANCIAL YEAR (REF: 3.10.1.1)

Report dated 29 February 2024 by the Deputy Municipal Manager: Corporate Services. (Page 131 of agenda)

It was
RESOLVED

That the report dated 29 February 2024 by the Deputy Municipal Manager: Corporate Services on progress made in providing Legal Support to the action plans of business units to address findings for the 2022/2023 Financial Year be NOTED.

19. INFORMATION COMMUNICATIONS TECHNOLOGY {ICT) OPERATIONAL AND PROJECTS REPORT: JANUARY 2024 TO MARCH 2024 {REF: 2.2.3.2.1)

Report dated 16 April 2024 by the Deputy Municipal Manager: Corporate Services. (Page 317 of Committee Circular No. 73 of 2024)

Clarity was sought the progress in addressing the concerns of the Auditor General in regard to business related systems and the challenges associated with this. The Senior Manager: ICT was requested to ensure that the ICT Project Plan and ICT Strategy Plan was submitted to the Audit Committee. In addition to this, a query was raised over the Bandwidth, and the total number of callouts that the unit was able to respond to. The Senior Manager: ICT was requested to provide feedback on the number of graduates being utilized within the Unit to assist with support calls.

In response to a query, the Senior Manager: ICT reported that progress on strategic ICT projects together with the go-live dates would be reported on at the next meeting of the Audit Committee. The Senior Manager: ICT confirmed that the business unit was utilizing interns within the business unit, with one batch of interns having completed their internships, and the second batch of interns was due to complete their internships soon. He reported that there were only two permanent technicians within the ICT Unit to service approximately 200 users.

In regard to a query on the ICT Steering Committee meetings, the Senior Manager: ICT reported that in the event that a meeting was cancelled, ICT Steering Committee meetings would be rescheduled. He confirmed that the ICT Unit worked closely the SAP Team. He advised that the SAP Team had its separate committees.

It was
RESOLVED

That the report dated 16 April 2024 by the Deputy Municipal Manager: Corporate Services on the various monthly operations and compliance matters undertaken by the Information Communication Technology (ICT) Units during the months of January 2024 to March 2024 be NOTED.

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20. BUDGET AND TREASURY: REPORT ON MONTH-END DISCIPLINE: JANUARY 2024 (REF:14.3.2)

Report dated 9 February 2024 by the Chief Financial Officer. (Page 136 of agenda)

Management was requested to ensure that all problem areas were attended to, addressed and resolved prior to the following Month-End Discipline procedures.

National Treasury Representative (Ms N Ngaka) reminded the Budget and Treasury Team that the deadline for the submission of the Interim Financial Statements was 30 April 2024.

It was confirmed that the March 2024 Interim Annual Financial Statements would be submitted to National Treasury by the end of the week. It was confirmed that the Month-end Discipline was a useful tool for the business unit. However, it was reported that Management was choosing to overlook these disciplines and were placing their focus on other areas instead. Furthermore, it was pointed out that certain managers were not taking the Month-end Discipline tool. seriously neither were they taking responsibility in addressing the variances.

The Business Unit voiced their appreciation to the reviews undertaken by the Internal Audit Unit namely the Auditing of the Billing for the previous and current financial periods. It was mentioned that the Internal Audit provided the Business Unit with value added activities which was highly appreciated.

It was
RESOLVED

That the report dated 9 February 2024 by the Chief Financial Officer on the Month-end Discipline for the month ending January 2024 be NOTED.

21. REPORT ON THE ACTION PLAN TO ADDRESS THE OVERSTATEMENT OF REVENUE DUE TO TECHNICAL ERRORS ON THE METERS RESULTING IN OVER BILLING OF DEBTORS FOR DECEMBER 2023 (REF: 3.3.1.2.1)

Report dated 12 March 2024 by the Municipal Manager (Acting). (Page 163 of agenda)

It was
RESOLVED

That the progress the progress on the Action Plan to address the Overstatement of Revenue due to technical errors on the meters resulting in over billing of debtors for December 2024 as contained in the report dated 14 March 2024 by the Municipal Manager (Acting) be NOTED.

22. REPORT ON THE ACTION PLAN TO ADDRESS THE OVERSTATEMENT OF REVENUE DUE TO TECHNICAL ERRORS ON THE METERS RESULTING IN OVER BILLING OF DEBTORS FOR JANUARY 2024 (REF: 3.3.1.2.1)

Report dated 14 March 2024 by the Municipal Manager (Acting). (Page 174 of agenda)

it was
RESOLVED

That the progress the progress on the Action Plan to address the Overstatement of Revenue due to technical errors on the meters resulting in over billing of debtors for January 2024 as contained in the report dated 14 March 2024 by the Municipal Manager (Acting) be NOTED.

23. REPORT ON THE ACTION PLAN TO ADDRESS THE OVERSTATEMENT OF REVENUE DUE TO TECHNICAL ERRORS ON THE METERS RESULTING IN OVER BILLING OF DEBTORS FOR FEBRUARY 2024 {REF: 3.3.1.2.1)

Report dated 14 March 2024 by the Municipal Manager (Acting). (Page 185 of agenda)

It was
RESOLVED

That the progress the progress on the Action Plan to address the Overstatement of Revenue due to technical errors on the meters resulting in over billing of debtors for February 2024 as contained in the report dated 14 March 2024 by the Municipal Manager (Acting) be NOTED.

24. CONSOLIDATED REPORT BY THE MUNICIPAL MANAGER {REF: 3.10.1)

Report dated 15 April 2024 by the Municipal Manager.
(Item 22 on agenda circulated on the Audit Committee Agenda Link).

24.1 Audit Committee members expressed their concern over the late receipt of the Consolidated Report by the Municipal Manager. In addition to this, it was pointed out the report omitted the Section 71 and 66 reports, the Financial Recovery Plan, the Service Delivery, Budget Implementation Plan report (SDBIP), Outstanding Debtors Report and the Fruitless and Wasteful Expenditure Reports.
24.2 It was pointed out to Management that the Safe City Report provides management with ample opportunity to fine culprits that were not abiding by the City By-laws.
24.3 Management was urged to improve on their Revenue Enhancements efforts.
24.4 In terms of the rollover of conditional grants, the Municipal Manager (Acting) reported that there was no guarantee that the Municipality would be granted a rollover of grant funding. However, the Provincial Department of Human Settlements would rollover grant funding for Human Settlement Housing Projects.

It was
RESOLVED

That the report dated 15 April 2024 by the Municipal Manager for the month of March 2024, be NOTED.

25. SUMMARY OF AUDIT COMMITTEE URGENT OUTSTANDING MATTERS

Scheduled updated as of 27 December 2023 by Corporate Services Business Unit. (Circulated separately on the Audit Committee Agenda Link)

It was
RESOLVED

That the Summary of Urgent Audit Committee Outstanding Matters as of 27 December 2023 by the Corporate Services Business Unit be NOTED.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

26. OUTSTANDING MATTERS THAT REQUIRE CLOSE UP REPORTS

Report dated 8 August 2023 by the Corporate Services Business Unit. (Circulated separately on the Audit Committee Agenda Link)

It was
RESOLVED

That the Audit Committee Outstanding Matters report dated 8 August 2023 by the Corporate Services Business Unit be NOTED.

(The main Audit Committee Agenda was concluded at 14:00 at which point the Committee adjourned for a lunch break and reconvened at 14:20 to commence with Confidential Items with the respective designated officials).

CONFIDENTIAL: NOT FOR PUBLICATION

27. CONFIRMATION OF CONFIDENTIAL MINUTES

Minutes of confidential meeting held on 20 February 2024. (Page 1 of Confidential Committee Circular No. 23 of 2024)

CONFIDENTIAL: NOT FOR PUBLICATION

28. MATTERS ARISING FROM PREVIOUS MINUTES OF MEETING

(Raised verbally)

29. CORPORATE SERVICES: SKILLS AUDIT IMPLEMENTATION PLAN: BUSINESS UNIT REPORTS (REF: 3.4.5}

Report dated 28 February 2024 by the Deputy Municipal Manager: Corporate Services. (Page 1 of Confidential Committee Circular No. 23 of 2024)

30. REPORT ON THE PROGRESS ON FORENSIC INVESTIGATIONS, CRIMINAL INVESTIGATIONS AND PROSECUTIONS INTO ALLEGATIONS OF FRAUD, CORRUPTION, THEFT, ETC. FOR QUARTER ENDING 31 MARCH 2023 (REF: 3.10.1.1)

Report dated 19 April 2024 by the Forensic Investigator.
(Late Item Circulated Separately on the Audit Committee Agenda Link)

31. FORENSIC INVESTIGATION INTO THE LOSS OF REVENUE THROUGH SALE AND DISPOSAL OF STANDING TIMBER CONTRACT WITH INZAMA CONTRACTORS (PTY) LTD: SCM 47 OF 16/17 IN FORESTRY AS IDENTIFIED BY THE AUDITOR GENERAL-SUSTAINABLE DEVELOPMENT AND CITY ENTITIES {REF: 3.10.1.1)

Report dated 18 April 2024 by the Forensic Investigator (Ref: FI-28/2020-21). (Late Item Circulated Separately on the Audit Committee Agenda Link)

32. FORENSIC INVESTIGATION INTO THE REPORTED SUBMISSION OF ALLEGEDLY FORGED LOGBOOK BY YABANATHI PROJECTS IN RESPONSE TO INVITATION TO TENDER FOR SCM 42 AND SCM 41 OF 20/21 (REF: 3.10.1.1)

Report dated 17 April 2024 by the Forensic Investigator (Ref: FI-21/2022-23). (Late Item Circulated Separately on the Audit Committee Agenda Link)

HYBRID MEETING HELD VIA MICROSOFT TEAMS AND PHYSICALLY IN THE SECOND FLOOR BOARDROOM,
HARRY GWALA STADIUM, ON TUESDAY, 25 JUNE 2024 AT 09:00.

It was
RESOLVED

That the minutes of the Audit Committee meeting held on Tuesday, 23 April 2024 be CONFIRMED.

1. REPORT BY THE OFFICE OF THE AUDITOR GENERAL

(i) Audit Engagement Letter dated 19 June 2024 by the Auditor General South Africa (Ref: 05754REG23/24).
(ii) Audit Strategy dated 30 June 2024 by the Auditor General South Africa. (Circulated separately on the Audit Committee agenda link)

Following brief discussion, it was
RESOLVED

(a) That the Audit Engagement Letter dated 19 June 2024 by the Auditor General South Africa (Ref: 05754REG23/24) be NOTED.
(b) That the Audit Strategy dated 30 June 2024 by the Auditor General South Africa be NOTED.

2. FINAL INTERNAL AUDIT REPORT OF THE PIETERMARITZBURG AIRPORT: SUSTAINABLE DEVELOPMENT AND CITY ENTERPRISES (REF: 3.10.1.1)

Report dated 6 May 2024 by the Chief Audit Executive (Ref: A7 of 2023/2024). (Page 19 of agenda)
The Accounting Officer and his Management Team were requested to ensure that the airport tariffs were reviewed to ensure that Council did not lose the services of South African Airlink, which would result in a loss of revenue to Council.

Management was instructed to develop an Action Plan for the next Audit Committee meeting with specific timelines and target dates to generate and encourage additional sources of income and new tenants at the Pietermaritzburg Airport to ensure that the facility became more financially, , viable. It was requested that this Plan also incorporate the details of all Open-Ended Lease Agreements (or Evergreen Lease Agreements) at the Pietermaritzburg Airport to ensure that these leases were brought in line with market related rentals.

It was
RESOLVED

(a) That the Accounting Officer ensure that the Airport Tariffs were reviewed to ensure that the Pietermaritzburg Airport did not lose the services of SA Airlink which would result in a loss of revenue to Council.
(b) That the Accounting Officer ensures that an Action Plan with specific timelines and target dates to Generate and Encourage Additional Sources of Income and New Tenants at the Pietermaritzburg Airport to ensure that the facility more financially viable be prepared for the next meeting of the Audit Committee. It was requested that this Plan also incorporate the details of all Open-Ended Lease Agreements (or Evergreen Lease Agreements) at the Pietermaritzburg Airport to ensure that these leases were brought in line with market related rentals.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

It was subsequently
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the Final Internal Audit report on Pietermaritzburg Airport: Sustainable Development and City Enterprises as contained in the report dated 6 May 2024 by the Chief Audit Executive (Ref: A7 of 2023/2024) be approved, and that the Municipal Manager (Acting) ensure the implementation of the following: -

1. That the Airport Manager and Safety Officer ensure that:
   (a) All airport firefighters must have a valid First-Aid Level 3 certificate at all times.
   (b) At least 2 of the firefighters per watch must have a valid PARTAC license at all times.
   (c) All training records are properly kept and made available for audit purposes.
   (d) Procurement process to begin prior to certificate/license expiry date.
   (e) All permits issued are included in the confirmation letter.
   (f) All application forms for permits issued are properly filed.
   (g) Airport Manager and Security Supervisor communicate the deficiencies noted to Reshebile Aviation and Protection Services being the outsourced security service provider of the Airport.
   (h) Conduct a random inspection on the ad-hoc visitor permit file to ensure permits issued were supported by a duly completed and signed briefing declaration.

2. That the Airport Manager ensure that:
   (a) An investigation be conducted internally to quantify landing fees not billed to Airlink and make the relevant arrangements with the Office of the Chief Financial Officer to that such amount is collected.
   (b) There be effective supervisory control in ensuring landing fees be calculated and billed accurately.
   (c) There be a systematic way to record invoices, e.g. in sequential number, no duplicate number, etc.
   (d) There is effective supervisory control in ensuring invoices issued accurately.
   (e) Only Council approved tariffs be used.
   (f) There be effective supervisory control in ensuring revenue fee calculated and billed accurately.
   (g) There be effective supervisory control in ensuring rentals charged to Airport's tenants are as per Tenant's Spreadsheet and annual escalation be calculated accurately.
   (h) Strengthen the supervisory control in ensuring invoices are raised based on accurate and complete records.
   (i) Consider alternatives to ensure that all non-scheduled/charter flights information are recorded in order to issue accurate invoices.
   (j) Investigate discrepancies noted and communicate conclusion thereof to both ATNS and Airlink.
   (k) Through Supply Chain Management, conduct supplier performance assessment of Air Traffic Navigation System (ATNS).
   (l) Communicate the deficiencies noted to the Real Estate Unit.
   (m) The Real Estate Unit ensure that there is a valid lease agreement for all Airport's Tenants.
   (n) The Real Estate Unit conducts an exercise to update all lease agreements to reflect latest and accurate information.
   (o) The Real Estate Unit ensure that all rentals charged to the Airport's tenants are consistent and market comparable.
   (p) Exceptions identified to be resolved and communicated to Asset Management Unit so that FAR can be updated.
   (q) The Senior Manager: Assets and Liabilities ensures that Asset Management conducts a full asset verification at the Airport.
   (r) Assets be not moved around to uphold accountability by asset custodians.

3. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF THE PORTFOLIO OF EVIDENCE FOR THE FINANCIAL RECOVERY PLAN: QUARTER 1 OF 2023/2024 (REF: 3.10.1.1)

Report dated 5 June 2024 Chief Audit Executive (Ref: AS of 2023/2024). (Page 105 of agenda)

Audit Committee members noted with ongoing concern that the problem over the non-submission of Portfolio of Evidence Files by Management continued to remain problematic, despite previous requests by the Committee and previous assurances by Management that this would be attended to.

It was pointed out to Management that there must be an alignment between Management and the Internal Audit Unit on the submission of Portfolio of Evidence Files. Management was urged to step-up their commitment to these processes and to liaise with the Internal Audit Unit on any area that they required assistance with.

It was thereafter
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the findings around the Final Internal Audit report on the Audit of Portfolio of Evidence (POE) for the Financial Recovery Plan - Quarter 1 of the 2023/24 Financial Year as contained in the report dated 5 June 2024 by the Chief Audit Executive (Ref: AS of 2023/2024) be approved and that the Accounting Officer ensure the implementation of the following: -

1. That the Work-Stream Leader for Pillar 1 ensure the implementation of the following: -
   (a) The Portfolio of Evidence submitted to the National Treasury Municipal Financial Recovery Service (NT MFRS) be appropriately verified to be accurate, valid, sufficient, and relevant for the completed/achieved or in progress.
   (b) Activities reported as completed/achieved and in progress be verified against the supporting portfolio of evidence.

2. That the Deputy Municipal Managers for Pillar 1 ensure that:
   (a) There be cooperation by the process owners in the submission and verification of the Portfolio of Evidence.
   (b) The Portfolio of Evidence files be to support the progress made as recorded in the Financial Recovery Plan (FRP) Tool, are adequately reviewed for accuracy, validity, sufficiency, and relevance.
   (c) There must be a supporting Portfolio of Evidence for the completed activities or in progress activities.
   (d) The Portfolio of Evidence be submitted in a timely manner to the Work-Stream Champions.
   (e) The Portfolio of Evidence be submitted to the Work-Stream Champions be appropriately verified to be accurate, valid, sufficient, and relevant for the completed/achieved or in progress.
   (f) Activities reported as completed/achieved and in progress are verified against the supporting portfolio of evidence.

4. REPORT TO THE AUDIT COMMITTEE ON THE STATUS UPDATE ON THE IMPLEMENTATION OF THE 2023/2024 ANNUAL AUDIT PLAN (REF:3.10.1.1)

Report dated 10 June 2024 by the Chief Audit Executive (Ref: SU No.6 of 2023/24). (Page 127 of agenda)

Management was instructed to ensure that they resolved all operational issues such as the challenges facing the Internal Audit Unit with laptops, staff accommodation and other tools of trade at their Management Committee meetings instead of laying the "blame-game" at Audit Committee meetings.

Concern was raised by Committee over the delay in the submission of the Interim Financial Statements to the Internal Audit Unit for review. Committee members sought clarity on whether there would be sufficient time for the Internal Audit Unit to conduct their follow-up reviews by 30 June 2024. In addition to this, it was queried whether the Budget and Treasury Business Unit had sufficient capacity to address reports with the Internal Audit Unit by this deadline.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

The Chief Financial Officer reported that the Business Unit's priority was to focus on addressing issues raised by the Auditor General. She provided Committee with an assurance that the Revenue Unit had developed an Action Plan to address findings on High-Billings, Problematic Meters and Estimations.

It was confirmed that the Interim Financial Statements were prepared. However, it was mentioned that due to meeting all other legislative deadlines during this period it was an oversight to not submit the Interim Financial Statements to National Treasury and to the Internal Audit Unit. In consideration of this oversight, the Accounting Officer was requested to investigate the reasons why there was a failure in addressing the electronic mail request from National Treasury.

It was
RESOLVED

That the Accounting Officer investigate the reason why the electronic mail request from National Treasury on the submission of the Interim Financial Statements and Aspiration Plans was overlooked; thereby ensuring that this mishap did not recur in the foreseeable future.

It was subsequent,
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

(a) That the Status of the Implementation of the Annual Internal Audit Plan for the first, second and third quarter of the 2023/2024 Financial Year and the challenges facing the Internal Audit Unit as outlined in the report dated 10 June 2024 by the Chief Audit Executive (Ref: SU No.6 of 2023/24) be NOTED.
(b) That the proposed changes to the Annual Audit Plan as detailed in the report dated 10 June 2024 by the Chief Audit Executive (Ref: SU No.6 of 2023/24) be APPROVED.

5. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF PERFORMANCE INFORMATION: MID-TERM 2023/2024 FINANCIAL VEAR (REF: 3.10.1.1)

Report dated 10 June 2024 by the Chief Audit Executive (Ref: AoPI 4 of 2023/2024). (Page 134 of agenda)

Following discussion, it was
RESOLVED

(a) the Accounting Officer determines the root cause over the non-submission of Portfolio of Evidence Files and Lack of Management Comments in terms of the Performance Information requested by the Internal Audit Unit and implements measures to hold Deputy Municipal Managers accountable against their performance reviews for these non-submissions.
(b) That the Chief Audit Executive ensures that all future reports on the Audit of Performance Information be submitted to the Top Management Committee for consideration and input by the Accounting Officer and all Deputy Municipal Managers prior to submission to the Audit Committee.

It was thereafter
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the findings around the Final Internal Audit report on the Audit of Performance Information Mid-Term 2023/2024 Financial Year as contained in the report dated 10 June 2024 by the Chief Audit Executive (Ref: AoP1 4 of 2023/2024) be approved and that the Accounting Officer ensure the implementation of the following: -

(a) every quarterly report must be cross-referenced to the Portfolio of Evidence file to ensure that the reported performance is adequately supported.
(b) Deputy Municipal Managers when assessing Senior Managers must verify that all Portfolio of Evidence have been submitted and placed on File.
(c) Deputy Municipal Managers must ensure that there is sufficient evidence to support achieved targets achieved; and
(d) consequence Management must be enforced in instances where the achievement/non-achievement of targets are not supported by adequate evidence.
(e) Reported achievements relating to targets must be assessed by Management against portfolio of evidence to ensure that the reported performance is accurate, valid and reliable
(f) The quarterly departmental reports must be signed as evidence of review for completeness and accuracy; and
(g) Consequence Management must be enforced in instances where there is a lack of evidence of review of Portfolio of Evidence files.
(h) The quarterly targets must be specific, for example where a target is a report submission; it should indicate whom the report will be submitted to.
(i) The corrective measures must be documented, and they must indicate actions that will be taken to address the non-achievement or partial achievement.
(j) Indicators must be documented on the Service Delivery Budget Implementation Plan.
(k) The actual performance dates must be aligned with the target dates.
(l) The actual performance reported must be align with the actual rating/score.
(m) Performance Agreements must be prepared and approved by Management in terms of the approved Performance Management Policy.
(n) Performance Assessments must be facilitated and performed at the end of each quarter by management; and
(o) Controls must be implemented to ensure compliance with the above.

6. THREE YEAR ROLLING AUDIT PLAN FOR 2024/25. 2025/26 AND 2026/27 FINANCIAL YEARS AND THE ANNUAL AUDIT PLAN FOR 2024/25 (REF: 3.10.1.1)

Report dated 10 June 2024 by the Chief Audit Executive (Ref: P No. 1 of 2024/25). (Page 1 of Committee Circular No. 172 of 2024)

Following brief discussion, it was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the Three-Year Rolling Audit Plan for the 2024/2025, 2025/2026 and 2026/2027 Financial Years and the Internal Audit Plan for the 2024/2025 Financial Year as contained in the report dated 1O June 2024 by the Chief Audit Executive (Ref: P NO. 1 of 2024/25) be APPROVED.

7. STATUS REPORT ON THE IMPLEMENTATION OF RISK MANAGEMENT PLAN FOR THE 2023/2024 FINANCIAL YEAR (REF: 3.10.2.5)

Report dated 30 May 2024 incorporating recommendations of the Risk Management Committee. (Page 259 of agenda)

It was
RESOLVED

(a) That the Audit Committee exercise their oversite role as stipulated in the Risk Management Policy.
(b) That the proposed amendments in the Risk Management Plan for the 2023/2024 Financial Year as contained in the report dated 30 May 2024 by the Risk Management Committee be APPROVED.
(c) That the Accounting Officer make the relevant arrangements to ensure that the Risk Management Unit is assisted with the necessary resources to operate optimally.

8. REPORT ON THE 3Ro QUARTER ACTIVITIES OF THE RISK MANAGEMENT UNIT (REF:3.10.2.5)

Report dated 6 May 2024 incorporating recommendations by the Municipal Manager (Acting) (Extended Management Committee).

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS
COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

(Page 278 of agenda)

It was
RESOLVED

That the Report dated 6 May 2024 incorporating recommendations by Municipal Manager (Acting) (Extended Management Committee) on the 3rd Quarter Activities of the Risk Management Unit be NOTED.

9. ICT AUDIT ACTION PLAN PROGRESS: 2021/2022 FINANCIAL YEAR (REF: 3.10.1.1)

Report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services. (Page 287 of agenda)

It was
RESOLVED

That the report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services on the ICT Audit Action Plan Progress for the 2021/2022 Financial Year be NOTED.

10. ICT AUDIT ACTION PLAN PROGRESS: 2021/2022 FINANCIAL YEAR (REF: 3.10.1.1)

Report dated 2024 by the Deputy Municipal Manager: Corporate Services. (Page 290 of agenda)

It was
RESOLVED

That the report dated 7 June 2024 by the Deputy Municipal Manager: Corporate Services on the ICT Audit Action Plan Progress for the 2021/2022 Financial Vear be NOTED.

11. ICT AUDIT ACTION PLAN PROGRESS: 2022/2023 FINANCIAL YEAR (REF:3.10.1.1)

Report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services. (Page 292 of agenda)

It was
RESOLVED

That the report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services on the ICT Audit Action Plan Progress for the 2022/2023 Financial Year be noted.

12. ICT AUDIT ACTION PLAN PROGRESS: 2022/2023 FINANCIAL YEAR (REF:3.10.1.1)

Report dated 7 June 2024 by the Deputy Municipal Manager: Corporate Services. (Page 294 of agenda)

It was
RESOLVED

That the report dated 7 June 2024 by the Deputy Municipal Manager: Corporate Services on the ICT Audit Action Plan Progress for the 2022/2023 Financial Year be NOTED.

13. HUMAN RESOURCES ACTION PLAN PROGRESS REPORT UPDATE: 2022/2023 FINANCIAL YEAR (REF:4. R)

Report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services. (Page 304 of agenda)

It was
RESOLVED

That the report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services on the Human Resources Action Plan for the 2022/2023 Financial Year be NOTED.

14. HUMAN RESOURCES ACTION PLAN PROGRESS REPORT UPDATE: 2022/2023 FINANCIAL YEAR (REF:4.R)

Report dated 5 June 2024 by the Deputy Municipal Manager Corporate Services. (Page 308 of agenda)

It was
RESOLVED

That the report dated 5 June 2024 by the Deputy Municipal Manager: Corporate Services on the Human Resources Action Plan for the 2022/2023 Financial Year be NOTED.

15. HUMAN RESOURCES ACTION PLAN PROGRESS REPORT UPDATE: 2021/2022 FINANCIAL YEAR (REF:4.R)

Report dated 3 May 2024 by the Deputy Municipal Manager Corporate Services. (Page 312 of agenda)

It was
RESOLVED

That the report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services on the Human Resources Action Plan for the 2021/2022 Financial Year be NOTED.

16. HUMAN RESOURCES ACTION PLAN PROGRESS REPORT UPDATE: 2021/2022 FINANCIAL YEAR (REF:4.R)

Report dated 5 June 2024 by the Deputy Municipal Manager: Corporate Services. (Page 316 of agenda)

It was
RESOLVED

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS
COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

That the report dated 5 June 2024 by the Deputy Municipal Manager: Corporate Services on the Human Resources Action Plan for the 2021/2022 Financial Year be NOTED.

17. LEGAL SERVICES: AUDIT ACTION PLAN PROGRESS (REF: 14.2)

Report dated 4 June 2024 by the Deputy Municipal Manager: Corporate Services. (Page 320 of agenda)

It was
RESOLVED

That the report dated 4 June 2024 by the Deputy Municipal Manager: Corporate Services on the Legal Services Action Plan for the 2022/2023 Financial Year be NOTED.

18. REPORT ON THE ACTION PLAN TO ADDRESS THE OVERSTATEMENT OF REVENUE DUE TO TECHNICAL ERRORS ON THE METERS RESULTING IN OVER BILLING OF DEBTORS FOR MARCH 2024 (REF: 3.3.1.2.1}

Report dated 8 May 2024 by the Municipal Manager (Acting). (Page 325 of agenda)

It was
RESOLVED

That the report dated 8 May 2024 by the Municipal Manager (Acting) on the Action Plan to Address the Overstatement of Revenue due to Technical Errors on the meters resulting in over billing of debtors for March 2024 be NOTED.

19. REPORT ON THE ACTION PLAN TO ADDRESS THE OVERSTATEMENT OF REVENUE DUE TO TECHNICAL ERRORS ON THE METERS RESULTING IN OVER BILLING OF DEBTORS FOR APRIL 2024 (REF: 3.3.1.2.1)

Report dated 8 May 2024 by the Municipal Manager (Acting) (Page 342 of agenda)

It was
RESOLVED

That the report dated 8 May 2024 by the Municipal Manager (Acting) on the Action Plan to Address the Overstatement of Revenue due to Technical Errors on the meters resulting in over billing of debtors for April 2024 be NOTED.

20. QUARTER 3 (JANUARY 2024 TO MARCH 2024): PROGRESS ON THE 2023/2024 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (REF:10.4.1)

Report dated 23 May 2024 by the Senior Manager: Strategic Planning. (Circulated separately on the Audit Committee agenda link)

It was
RESOLVED

That the Quarter 3 (January 2024 to March 2024) Progress on the 2023/2024 Service Delivery and Budget Implementation Plan (SBIP) as contained in the report dated 23 May 2024 by the Senior Manager: Strategic Planning be NOTED.

21. IMPLEMENTATION OF THE FINANCIAL RECOVERY PLAN FOR MARCH 2024 (REF: 3.7.1 (23/24)

Report dated 14 May 2024 by the Municipal Manager (Acting). (Circulated separately on the Audit Committee agenda link)

It was
RESOLVED

That the Implementation of the Financial Recovery Plan (FRP) for March 2024 as contained in the report dated 14 May 2024 by the Municipal Manager (Acting) be NOTED.

22. CONSOLIDATED REPORT BY THE MUNICIPAL MANAGER (ACTING) (REF: 3.10.1)

Report dated 19 June 2024 by the Municipal Manager.

(Item 26 on agenda circulated on the Audit Committee Agenda Link).
(The Municipal Manager) (Acting}joined the proceeding at 12:38).

22.1 Audit Committee members expressed their frustration over the ongoing late receipt of the Municipal Manager's Consolidated Report. It was pointed out that the report did not include the Section 66 and 71 Reports, as well as the Irregular Expenditure and Revenue Enhancement Reports.
22.2 In addition to this, it was pointed that it was crucial that the Municipal Manager (Acting) made every effort to be present at all Audit Committee meetings in order to have an understanding of the issues raised by the Committee. Audit Committee members stressed that accountability was required within the Municipality for all issues raised by the Committee.
22.3 It was subsequently mentioned that the Audit Committee had noted with concern that certain Management Responses and Reports were no longer consolidated into the Municipal Manager's report to the Audit Committee and were instead being submitted to Committee in a piece-meal form.

It was thereafter
RESOLVED

(a) That the report dated 19 June 2024 by the Municipal Manager (Acting) for the month of ending May 2024 be NOTED.
(b) That the Accounting Officer be instructed to approach the leadership of the Msunduzi Council to take the next steps forward in obtaining by-in from all Ward Councillors in terms of understanding the effects of the non-payment of municipal services and addressing the culture of non-payment of municipal services in all wards.
(c) That the Accounting Officer conducts a follow-up with all Deputy Municipal Managers on the non-submission of reports requested by the Audit Committee and ensures that a reporting mechanism be put in place to ensure the implementation of all Audit Committee recommendations and resolutions.
(d) That the Accounting Officer reviews the public relations impact over the non-payment of municipal services within all wards, targeting the wards with the highest outstanding debt, with a purpose of educating consumers and turning around the culture of non-payment for municipal services.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

(e) Committee subsequently requested that the Structure of the Municipal Manager's Report to the Audit Committee be changed; effectively separating the Financial Reporting component for the period into a separate report with effect from the 2024/2025 Financial Year as follows: -

(i). Accounting Officer's Report to the Audit Committee must comprise of the following: -
internal Controls (including ICT, Consequence Management, Media Analysis Report, Progress / Close out reports by Deputy Municipal Managers on...fil! Internal Audit Reports), Risk Management, Performance Management Reporting on the Financial Recovery Plan, Service Delivery Budget Implementation Plan and any other compliance reporting; Performance Management Report Municipal Entities (Safe City Entity).
(ii). Consolidated Report by Chief Financial Officer must be a separate report to the Audit Committee comprising of the following: -

Accounting Practices and Procedures for the period (Section 66 and 71 Reporting, Monthly Payroll Reporting and Activities, Annual Reporting for the Municipality and its Entities, Auditor General Findings, Month End Discipline, SAP/MSCOA, Conditional Grant Expenditure any other compliance reporting),

Loss Control (Unauthorized, Irregular, Fruitless and Wasteful Expenditure, Creditors Analysis Reporting, Overtime Breakdown Schedule for all Business Units for the period), Revenue (Monthly Cash Flow Management Report, Schedule of Revenue Generated from file Revenue Generating Business Units, Ward Debt, Government Debt, Aloe Ridge Debt, Ingonyama Trust Debt, Eskom Debt, Umgeni Water Debt, Staff Debt, Councillor Debt, Revenue Enhancement Strategies, etc).

23. SUMMARY OF AUDIT COMMITTEE URGENT OUTSTANDING MATTERS

Scheduled updated as of 27 December 2023 by Corporate Services Business Unit. (Circulated separately on the Audit Committee Agenda Link)

It was
RESOLVED

That the Summary of Urgent Audit Committee Outstanding Matters as of 27 December 2023 by the Corporate Services Business Unit be NOTED.

24. OUTSTANDING MATTERS THAT REQUIRE CLOSE UP REPORTS

Report dated 27 December 2023 by the Corporate Services Business Unit. (Circulated separately on the Audit Committee Agenda Link)

It was
RESOLVED

That the Audit Committee Outstanding Matters report dated 27 December 2023 by the Corporate Services Business Unit be NOTED.

25. URGENT: REPORT ON THE AUDIT OF ADVERTISING AN SIGNAGE BUILDING CONTROL SUB-UNIT: UPDATE ON THE AUDIT ACTION PLAN TO ADDRESS INTERNAL AUDIT FINDINGS ON THE ADVERTISING SIGNING CONTROL SUB-UNIT (REF: 3.8.2.3)

Report dated 6 June 2024 by the Senior Manager: Planning and Environment (Ref:07/2022/23). (Page 363 of agenda)

It was
RESOLVED

(a) That the interventions put in place to deal with the Signage related findings as raised in the Internal Audit Report during the 2023/2024 Auditing of the Signage and Building Control Section and the update on the current Audit Action Plan items put forward by the business unit as a whole, be NOTED and be confirmed accordingly by the Internal Audit Unit.
(b) That the progress made in respect of the Signage in addressing the Audit Findings of the year ending June 2024 and corrective measures being implemented to mitigate the risk of repeated findings for the signage processes, be NOTED and be confirmed by the Internal Audit Unit accordingly.

26. REMEDIAL REPORT ON WASTE MANAGEMENT AND LANDFILL SITE: ACTION PLAN (REF:18.1.R)

Report dated 12 June 2024 by the Senior Manager: Waste Management (Acting). (Page 432 of agenda)
It was pointed out that the responses to the report were in landscape and therefore were not clearly readable.

In the absence of the Deputy Municipal Manager: Community Services (Acting), it was
RESOLVED

That the report dated 12 June 2024 by the Senior Manager: Waste Management (Acting) in respect of the Action Plan for the Waste Management and Landfill Site be DEFERRED to the next meeting of the Audit Committee.

27. REPORT ON MONTH-END DISCIPLINE: APRIL 2024 {REF:3.7.1 (23/24})

Report dated 3 June 2024 by the Chief Financial Officer. (Page 30 of Committee Circular No. 172 of 2024)

It was
RESOLVED

That the report dated 3 June 2024 by the Chief Financial Officer on the Month-End Discipline Procedures for April 2024 be NOTED.

28. REPORT ON MONTH-END DISCIPLINE: MAY 2024 CREF:3.7.1 (23/24})

Report dated 14 June 2024 by the Chief Financial Officer. (Page 58 of Committee Circular No. 172 of 2024)

It was
RESOLVED

That the report dated 14 June 2024 by the Chief Financial Officer on the Month-End Discipline Procedures for May 2024 be NOTED.

29. REPORT ON THE ACTION PLAN TO ADDRESS THE OVERSTATEMENT OF REVENUE TO TECHNICAL ERRORS ON THE METERS RESULTING IN OVER BILLING OF DEBTORS FOR MAY 2024 {REF: 3.3.1.1.1)

Report dated 10 June 2024 by the Municipal Manager (Acting). (Page 87 of Committee Circular No. 172 of 2024)

It was
RESOLVED

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS
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That the report dated 10 June 2024 by the Municipal Manager (Acting) on the Action Plan to Address the Overstatement of Revenue due to Technical Errors on the meters resulting in over billing of debtors for May 2024 be NOTED.

30. OUTSTANDING REPORT: STATUS OF INTERNAL AUDIT RECOMMENDATIONS ON THE FINAL INTERNAL AUDIT REPORT ON DISASTER MANAGEMENT ANNEXURE AI {REF: 3.10.1.1)

Report dated 18 June 2024 by the Deputy Municipal Manager: Community Services (Acting). (Page 112 of Committee Circular No. 172 of 2024)

In the absence of the Deputy Municipal Manager: Community Services (Acting), it was
RESOLVED

That the status report on Internal Audit Recommendation of the Final Internal Audit Report on Disaster Management in the report dated 18 June 2024 by the by the Deputy Municipal Manager: Community Services (Acting) be DEFERRED to the next meeting of the Audit Committee.

31. QUARTER 3 RISK MANAGEMENT COMMITTEE REPORT 2023/2024 FINANCIAL YEAR (REF: 3.7.1/2023/2024)

Report dated 18 June 2024 by the Chairperson of the Risk Management Committee. (Page 122 of Committee Circular No. 172 of 2024)
It was
RESOLVED

That the report 18 June 2024 by the Chairperson of the Risk Management Committee on the Quarter 3 Risk Management Committee Report for the 2023/2024 Financial Year be NOTED.

32. UPDATE ON THE ARREARS DEBT FROM ALOE RIDGE

(Raised verbally)

The Chief Financial Officer reported that Capital Housing was the entity that was in arrears for an amount of approximately R1,5 million. It was reported that they were using the invasion by the uMkhonto we Sizwe Military Veterans at the Aloe Ridge rental complex as an excuse for the arrears. She reported that the Rental Entity had also promised to pay Council arrears for the Acacia and Signal Hill complexes.

It was noted that Capital Housing was under business rescue, and that they were waiting for the Business Rescue Practitioner to release funds to pay these arrears. NOTED.

33. ANNOUNCEMENT: END OF TERM FOR AUDIT COMMITTEE MEMBER: MR L QUAYLE

(Raised verbally)

The Chairperson reported that the term of contract for Audit Committee Member (Mr Leo Quayle) had come to an end that month.

Mr Quayle took the opportunity to urge Management to keep their focus on improving inter-business unit communications. He pointed out that Msunduzi Municipality required strong leadership to improve revenue collection and to move the Municipality to greater heights. He pointed out that management reports to the Audit Committee came in on a piece-meal basis instead of being consolidated by the Office of the Municipal Manager. He observed that the manner in which the Audit Committee was treated by Management was unprofessional in their last-minute reporting. He emphasized that the outstanding reports requested by the Audit Committee had no follow up and progress reporting by Management. He also mentioned that the problem of the lack of a proper sound system for the venue showed a lack of respect for Audit Committee meetings.

Members extended their well wishes to Audit Committee Member (Mr Leo Quayle) for his valued contributions over his term of contract at the Audit Committee. Members thanked Mr Quayle for his quality objectives and all his efforts put forward towards Msunduzi Municipality.

The Audit Committee wished Mr Leo Quayle well in his future endeavours. NOTED.

(The main Audit Committee Agenda was concluded at 14:00 at which point the Committee adjourned for a lunch break and reconvened at 14:20 to commence with Confidential Items with the respective designated officials).

CONFIDENTIAL: NOT FOR PUBLICATION

34. CONFIRMATION OF CONFIDENTIAL MINUTES

Minutes of confidential meeting held on 23 April 2024. (Page 1 of Confidential Committee Circular No. 32 of 2024)

CONFIDENTIAL: NOT FOR PUBLICATION

35. FORENSIC INVESTIGATION INTO ALLEGATIONS OF FRAUDULENT FUNDS TRANSFERS FROM MSUNDUZI MUNICIPAL PAYROLL ACCOUNTS IN RESPECT OF THE DECEASED INTO THIRD PARTY CAPITEC BANK ACCOUNTS BY THE PAYROLL OFFICER: MS NOMZAMO PRECIOUS TSHABALALA: PAY NUMBER: 1207300: ID NO: 8704010769080 BETWEEN SEPTEMBER 2021 AND MAY 2022: BUDGET AND TREASURY OFFICE (REF: 3.10.1.1)

Report dated 8 May 2024 by the Chief Audit Executive (Ref: FI-3/2022/23). (Page 6 of Confidential Committee Circular No. 32 of 2024)

CONFIDENTIAL: NOT FOR PUBLICATION

36. FORENSIC INVESTIGATION INTO THE ALLEGED FRAUD ON OVERTIME. ABSENTEEISM AND ABUSE OF MUNICIPAL VEHICLE NPC 4752 BY THE MSUNDUZI MUNICIPAL EMPLOYE NO.2101550: SV MBONGWA: ID NUMBER: 8311165804082: INFRASTRUCTURE: WATER AND SANITATION (REF:3.10.1.1)

Report dated 10 June 2024 by the Chief Audit Executive (Ref: FI-2023-24). (Page 38 of Confidential Committee Circular No. 32 of 2024)

CONFIDENTIAL: NOT FOR PUBLICATION

37. REQUEST BY THE FULL COUNCIL AT ITS MEETING HELD ON 30 APRIL 2024: FINAL INTERNAL AUDIT REPORT ON THE REMUNERATION PACKAGE OF TWO PERMANENT SECTION 56 MANAGERS (REF: 3.10.1.1)

Extract of the unconfirmed minutes of the Full Council meeting held on 30 April 2024. (Page 93 of Confidential Committee Circular No. 32 of 2024)

38. FORENSIC INVESTIGATION INTO THE ALLEGED FRAUD ON OVERTIME, ABSENTEEISM AND ABUSE OF MUNICIPAL VEHCILE NPC 453 BY MUNICIPAL EMPLOYEE NO. PT NDLOVU: 810514 5295 084: INFRASTRUCTURE SERVICES: WATER AND SANITATION

Report dated 7 June 2024.by the Chief Audit Executive (Ref: FI-8/2023/24) (Page 33 of Confidential Committee Circular No. 33 of 2024)

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

HYBRID MEETING HELD VIA MICROSOFT TEAMS AND PHYSICALLY IN THE SECOND FLOOR BOARDROOM,
HARRY GWALA STADIUM, ON TUESDAY, 25 JUNE 2024 AT 09:00.

It was
RESOLVED

That the minutes of the Audit Committee meeting held on Tuesday, 23 April 2024 be CONFIRMED.

1. REPORT BY THE OFFICE OF THE AUDITOR GENERAL

(i) Audit Engagement Letter dated 19 June 2024 by the Auditor General South Africa (Ref: 05754REG23/24).
(ii) Audit Strategy dated 30 June 2024 by the Auditor General South Africa. (Circulated separately on the Audit Committee agenda link)

Following brief discussion, it was
RESOLVED

(a) That the Audit Engagement Letter dated 19 June 2024 by the Auditor General South Africa (Ref: 05754REG23/24) be NOTED.
(b) That the Audit Strategy dated 30 June 2024 by the Auditor General South Africa be NOTED.

2. FINAL INTERNAL AUDIT REPORT OF THE PIETERMARITZBURG AIRPORT: SUSTAINABLE DEVELOPMENT AND CITY ENTERPRISES (REF: 3.10.1.1)

Report dated 6 May 2024 by the Chief Audit Executive (Ref: A7 of 2023/2024). (Page 19 of agenda)
The Accounting Officer and his Management Team were requested to ensure that the airport tariffs were reviewed to ensure that Council did not lose the services of South African Airlink, which would result in a loss of revenue to Council.

Management was instructed to develop an Action Plan for the next Audit Committee meeting with specific timelines and target dates to generate and encourage additional sources of income and new tenants at the Pietermaritzburg Airport to ensure that the facility became more financially, , viable. It was requested that this Plan also incorporate the details of all Open-Ended Lease Agreements (or Evergreen Lease Agreements) at the Pietermaritzburg Airport to ensure that these leases were brought in line with market related rentals.

It was
RESOLVED

(a) That the Accounting Officer ensure that the Airport Tariffs were reviewed to ensure that the Pietermaritzburg Airport did not lose the services of SA Airlink which would result in a loss of revenue to Council.
(b) That the Accounting Officer ensures that an Action Plan with specific timelines and target dates to Generate and Encourage Additional Sources of Income and New Tenants at the Pietermaritzburg Airport to ensure that the facility more financially viable be prepared for the next meeting of the Audit Committee. It was requested that this Plan also incorporate the details of all Open-Ended Lease Agreements (or Evergreen Lease Agreements) at the Pietermaritzburg Airport to ensure that these leases were brought in line with market related rentals.

It was subsequently
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the Final Internal Audit report on Pietermaritzburg Airport: Sustainable Development and City Enterprises as contained in the report dated 6 May 2024 by the Chief Audit Executive (Ref: A7 of 2023/2024) be approved, and that the Municipal Manager (Acting) ensure the implementation of the following: -

1. That the Airport Manager and Safety Officer ensure that:
   (a) All airport firefighters must have a valid First-Aid Level 3 certificate at all times.
   (b) At least 2 of the firefighters per watch must have a valid PARTAC license at all times.
   (c) All training records are properly kept and made available for audit purposes.
   (d) Procurement process to begin prior to certificate/license expiry date.
   (e) All permits issued are included in the confirmation letter.
   (f) All application forms for permits issued are properly filed.
   (g) Airport Manager and Security Supervisor communicate the deficiencies noted to Reshebile Aviation and Protection Services being the outsourced security service provider of the Airport.
   (h) Conduct a random inspection on the ad-hoc visitor permit file to ensure permits issued were supported by a duly completed and signed briefing declaration.

2. That the Airport Manager ensure that:
   (a) An investigation be conducted internally to quantify landing fees not billed to Airlink and make the relevant arrangements with the Office of the Chief Financial Officer to that such amount is collected.
   (b) There be effective supervisory control in ensuring landing fees be calculated and billed accurately.
   (c) There be a systematic way to record invoices, e.g. in sequential number, no duplicate number, etc.
   (d) There is effective supervisory control in ensuring invoices issued accurately.
   (e) Only Council approved tariffs be used.
   (f) There be effective supervisory control in ensuring revenue fee calculated and billed accurately.
   (g) There be effective supervisory control in ensuring rentals charged to Airport's tenants are as per Tenant's Spreadsheet and annual escalation be calculated accurately.
   (h) Strengthen the supervisory control in ensuring invoices are raised based on accurate and complete records.
   (i) Consider alternatives to ensure that all non-scheduled/charter flights information are recorded in order to issue accurate invoices.
   (j) Investigate discrepancies noted and communicate conclusion thereof to both ATNS and Airlink.
   (k) Through Supply Chain Management, conduct supplier performance assessment of Air Traffic Navigation System (ATNS).
   (l) Communicate the deficiencies noted to the Real Estate Unit.
   (m) The Real Estate Unit ensure that there is a valid lease agreement for all Airport's Tenants.
   (n) The Real Estate Unit conducts an exercise to update all lease agreements to reflect latest and accurate information.
   (o) The Real Estate Unit ensure that all rentals charged to the Airport's tenants are consistent and market comparable.
   (p) Exceptions identified to be resolved and communicated to Asset Management Unit so that FAR can be updated.
   (q) The Senior Manager: Assets and Liabilities ensures that Asset Management conducts a full asset verification at the Airport.
   (r) Assets be not moved around to uphold accountability by asset custodians.

3. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF THE PORTFOLIO OF EVIDENCE FOR THE FINANCIAL RECOVERY PLAN: QUARTER 1 OF 2023/2024 (REF: 3.10.1.1)

Report dated 5 June 2024 Chief Audit Executive (Ref: AS of 2023/2024). (Page 105 of agenda)

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS
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Audit Committee members noted with ongoing concern that the problem over the non-submission of Portfolio of Evidence Files by Management continued to remain problematic, despite previous requests by the Committee and previous assurances by Management that this would be attended to.

It was pointed out to Management that there must be an alignment between Management and the Internal Audit Unit on the submission of Portfolio of Evidence Files. Management was urged to step-up their commitment to these processes and to liaise with the Internal Audit Unit on any area that they required assistance with.

It was thereafter
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the findings around the Final Internal Audit report on the Audit of Portfolio of Evidence (POE) for the Financial Recovery Plan - Quarter 1 of the 2023/24 Financial Year as contained in the report dated 5 June 2024 by the Chief Audit Executive (Ref: AS of 2023/2024) be approved and that the Accounting Officer ensure the implementation of the following: -

1. That the Work-Stream Leader for Pillar 1 ensure the implementation of the following: -
   (a) The Portfolio of Evidence submitted to the National Treasury Municipal Financial Recovery Service (NT MFRS) be appropriately verified to be accurate, valid, sufficient, and relevant for the completed/achieved or in progress.
   (b) Activities reported as completed/achieved and in progress be verified against the supporting portfolio of evidence.

2. That the Deputy Municipal Managers for Pillar 1 ensure that:
   (a) There be cooperation by the process owners in the submission and verification of the Portfolio of Evidence.
   (b) The Portfolio of Evidence files be to support the progress made as recorded in the Financial Recovery Plan (FRP) Tool, are adequately reviewed for accuracy, validity, sufficiency, and relevance.
   (c) There must be a supporting Portfolio of Evidence for the completed activities or in progress activities.
   (d) The Portfolio of Evidence be submitted in a timely manner to the Work-Stream Champions.
   (e) The Portfolio of Evidence be submitted to the Work-Stream Champions be appropriately verified to be accurate, valid, sufficient, and relevant for the completed/achieved or in progress.
   (f) Activities reported as completed/achieved and in progress are verified against the supporting portfolio of evidence.

4. REPORT TO THE AUDIT COMMITTEE ON THE STATUS UPDATE ON THE IMPLEMENTATION OF THE 2023/2024 ANNUAL AUDIT PLAN (REF:3.10.1.1)

Report dated 10 June 2024 by the Chief Audit Executive (Ref: SU No.6 of 2023/24). (Page 127 of agenda)

Management was instructed to ensure that they resolved all operational issues such as the challenges facing the Internal Audit Unit with laptops, staff accommodation and other tools of trade at their Management Committee meetings instead of laying the “blame-game” at Audit Committee meetings.

Concern was raised by Committee over the delay in the submission of the Interim Financial Statements to the Internal Audit Unit for review. Committee members sought clarity on whether there would be sufficient time for the Internal Audit Unit to conduct their follow-up reviews by 30 June 2024. In addition to this, it was queried whether the Budget and Treasury Business Unit had sufficient capacity to address reports with the Internal Audit Unit by this deadline.

The Chief Financial Officer reported that the Business Unit’s priority was to focus on addressing issues raised by the Auditor General. She provided Committee with an assurance that the Revenue Unit had developed an Action Plan to address findings on High-Billings, Problematic Meters and Estimations.

It was confirmed that the Interim Financial Statements were prepared. However, it was mentioned that due to meeting all other legislative deadlines during this period it was an oversight to not submit the Interim Financial Statements to National Treasury and to the Internal Audit Unit. In consideration of this oversight, the Accounting Officer was requested to investigate the reasons why there was a failure in addressing the electronic mail request from National Treasury.

It was
RESOLVED

That the Accounting Officer investigate the reason why the electronic mail request from National Treasury on the submission of the Interim Financial Statements and Aspiration Plans was overlooked; thereby ensuring that this mishap did not recur in the foreseeable future.

It was subsequently,
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

(a) That the Status of the Implementation of the Annual Internal Audit Plan for the first, second and third quarter of the 2023/2024 Financial Year and the challenges facing the Internal Audit Unit as outlined in the report dated 10 June 2024 by the Chief Audit Executive (Ref: SU No.6 of 2023/24) be NOTED.
(b) That the proposed changes to the Annual Audit Plan as detailed in the report dated 10 June 2024 by the Chief Audit Executive (Ref: SU No.6 of 2023/24) be APPROVED.

5. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF PERFORMANCE INFORMATION: MID-TERM 2023/2024 FINANCIAL VEAR (REF: 3.10.1.1)

Report dated 10 June 2024 by the Chief Audit Executive (Ref: AoPI 4 of 2023/2024). (Page 134 of agenda)

Following discussion, it was
RESOLVED

(a) That the Accounting Officer determines the root cause over the non-submission of Portfolio of Evidence Files and Lack of Management Comments in terms of the Performance Information requested by the Internal Audit Unit and implements measures to hold Deputy Municipal Managers accountable against their performance reviews for these non-submissions.
(b) That the Chief Audit Executive ensures that all future reports on the Audit of Performance Information be submitted to the Top Management Committee for consideration and input by the Accounting Officer and all Deputy Municipal Managers prior to submission to the Audit Committee.

It was thereafter
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the findings around the Final Internal Audit report on the Audit of Performance Information Mid-Term 2023/2024 Financial Year as contained in the report dated 10 June 2024 by the Chief Audit Executive (Ref: AoP1 4 of 2023/2024) be approved and that the Accounting Officer ensure the implementation of the following: -

(a) Every quarterly report must be cross-referenced to the Portfolio of Evidence file to ensure that the reported performance is adequately supported
(b) Every quarterly report must be cross-referenced to the Portfolio of Evidence file to ensure that the reported performance is adequately supported.
(c) Deputy Municipal Managers when assessing Senior Managers must verify that all Portfolio of Evidence have been submitted and placed on File.
(d) Deputy Municipal Managers must ensure that there is sufficient evidence to support achieved targets reported; and
(e) Consequence Management must be enforced in instances where the achievement/non-achievement of targets are not supported by adequate evidence.

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(f) Reported achievements relating to targets must be assessed by Management against portfolio of evidence to ensure that the reported performance is accurate, valid and reliable
(g) The quarterly departmental reports must be signed as evidence of review for completeness and accuracy; and
(h) Consequence Management must be enforced in instances where there is a lack of evidence of review of Portfolio of Evidence files.
(i) The quarterly targets must be specific, for example where a target is a report submission; it should indicate whom the report will be submitted to.
(j) The corrective measures must be documented, and they must indicate actions that will be taken to address the non-achievement or partial achievement.
(k) Indicators must be documented on the Service Delivery Budget Implementation Plan.
(l) The actual performance dates must be aligned with the target dates.
(m) The actual performance reported must be align with the actual rating/score.
(n) Performance Agreements must be prepared and approved by Management in terms of the approved Performance Management Policy.
(o) Performance Assessments must be facilitated and performed at the end of each quarter by management; and
(p) Controls must be implemented to ensure compliance with the above.

6. THREE YEAR ROLLING AUDIT PLAN FOR 2024/25. 2025/26 AND 2026/27 FINANCIAL YEARS AND THE ANNUAL AUDIT PLAN FOR 2024/25 (REF: 3.10.1.1)

Report dated 10 June 2024 by the Chief Audit Executive (Ref: P No. 1 of 2024/25). (Page 1 of Committee Circular No. 172 of 2024)

Following brief discussion, it was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the Three-Year Rolling Audit Plan for the 2024/2025, 2025/2026 and 2026/2027 Financial Years and the Internal Audit Plan for the 2024/2025 Financial Year as contained in the report dated 1O June 2024 by the Chief Audit Executive (Ref: P NO. 1 of 2024/25) be APPROVED.

7. STATUS REPORT ON THE IMPLEMENTATION OF RISK MANAGEMENT PLAN FOR THE 2023/2024 FINANCIAL YEAR (REF: 3.10.2.5)

Report dated 30 May 2024 incorporating recommendations of the Risk Management Committee. (Page 259 of agenda)

It was
RESOLVED

(a) That the Audit Committee exercise their oversite role as stipulated in the Risk Management Policy.
(b) That the proposed amendments in the Risk Management Plan for the 2023/2024 Financial Year as contained in the report dated 30 May 2024 by the Risk Management Committee be APPROVED.
(c) That the Accounting Officer make the relevant arrangements to ensure that the Risk Management Unit is assisted with the necessary resources to operate optimally.

8. REPORT ON THE 3Ro QUARTER ACTIVITIES OF THE RISK MANAGEMENT UNIT (REF: 3.10.2.5)

Report dated 6 May 2024 incorporating recommendations by the Municipal Manager (Acting) (Extended Management Committee).

(Page 278 of agenda)

It was
RESOLVED

That the Report dated 6 May 2024 incorporating recommendations by Municipal Manager (Acting) (Extended Management Committee) on the 3rd Quarter Activities of the Risk Management Unit be NOTED.

9. ICT AUDIT ACTION PLAN PROGRESS: 2021/2022 FINANCIAL YEAR (REF: 3.10.1.1)

Report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services. (Page 287 of agenda)

It was
RESOLVED

That the report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services on the ICT Audit Action Plan Progress for the 2021/2022 Financial Year be NOTED.

10. ICT AUDIT ACTION PLAN PROGRESS: 2021/2022 FINANCIAL YEAR (REF: 3.10.1.1)

Report dated 2024 by the Deputy Municipal Manager: Corporate Services. (Page 290 of agenda)

It was
RESOLVED

That the report dated 7 June 2024 by the Deputy Municipal Manager: Corporate Services on the ICT Audit Action Plan Progress for the 2021/2022 Financial Vear be NOTED.

11. ICT AUDIT ACTION PLAN PROGRESS: 2022/2023 FINANCIAL YEAR (REF:3.10.1.1)

Report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services. (Page 292 of agenda)

It was
RESOLVED

That the report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services on the ICT Audit Action Plan Progress for the 2022/2023 Financial Year be noted.

12. ICT AUDIT ACTION PLAN PROGRESS: 2022/2023 FINANCIAL YEAR (REF:3.10.1.1)

Report dated 7 June 2024 by the Deputy Municipal Manager: Corporate Services. (Page 294 of agenda)

It was
RESOLVED

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS
COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

That the report dated 7 June 2024 by the Deputy Municipal Manager: Corporate Services on the ICT Audit Action Plan Progress for the 2022/2023 Financial Year be NOTED.

13. HUMAN RESOURCES ACTION PLAN PROGRESS REPORT UPDATE: 2022/2023 FINANCIAL YEAR (REF:4.R)

Report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services. (Page 304 of agenda)

It was
RESOLVED

That the report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services on the Human Resources Action Plan for the 2022/2023 Financial Year be NOTED.

14. HUMAN RESOURCES ACTION PLAN PROGRESS REPORT UPDATE: 2022/2023 FINANCIAL YEAR (REF:4. R)

Report dated 5 June 2024 by the Deputy Municipal Manager Corporate Services. (Page 308 of agenda)

It was
RESOLVED

That the report dated 5 June 2024 by the Deputy Municipal Manager: Corporate Services on the Human Resources Action Plan for the 2022/2023 Financial Year be NOTED.

15. HUMAN RESOURCES ACTION PLAN PROGRESS REPORT UPDATE: 2021/2022 FINANCIAL YEAR (REF:4. R)

Report dated 3 May 2024 by the Deputy Municipal Manager Corporate Services. (Page 312 of agenda)

It was
RESOLVED

That the report dated 3 May 2024 by the Deputy Municipal Manager: Corporate Services on the Human Resources Action Plan for the 2021/2022 Financial Year be NOTED.

16. HUMAN RESOURCES ACTION PLAN PROGRESS REPORT UPDATE: 2021/2022 FINANCIAL YEAR (REF:4. R)

Report dated 5 June 2024 by the Deputy Municipal Manager: Corporate Services. (Page 316 of agenda)

It was
RESOLVED

That the report dated 5 June 2024 by the Deputy Municipal Manager: Corporate Services on the Human Resources Action Plan for the 2021/2022 Financial Year be NOTED.

17. LEGAL SERVICES: AUDIT ACTION PLAN PROGRESS (REF: 14.2)

Report dated 4 June 2024 by the Deputy Municipal Manager: Corporate Services. (Page 320 of agenda)

It was
RESOLVED

That the report dated 4 June 2024 by the Deputy Municipal Manager: Corporate Services on the Legal Services Action Plan for the 2022/2023 Financial Year be NOTED.

18. REPORT ON THE ACTION PLAN TO ADDRESS THE OVERSTATEMENT OF REVENUE DUE TO TECHNICAL ERRORS ON THE METERS RESULTING IN OVER BILLING OF DEBTORS FOR MARCH 2024 (REF: 3.3.1.2.1}

Report dated 8 May 2024 by the Municipal Manager (Acting). (Page 325 of agenda)

It was
RESOLVED

That the report dated 8 May 2024 by the Municipal Manager (Acting) on the Action Plan to Address the Overstatement of Revenue due to Technical Errors on the meters resulting in over billing of debtors for March 2024 be NOTED.

19. REPORT ON THE ACTION PLAN TO ADDRESS THE OVERSTATEMENT OF REVENUE DUE TO TECHNICAL ERRORS ON THE METERS RESULTING IN OVER BILLING OF DEBTORS FOR APRIL 2024 (REF: 3.3.1.2.1)

Report dated 8 May 2024 by the Municipal Manager (Acting) (Page 342 of agenda)

It was
RESOLVED

That the report dated 8 May 2024 by the Municipal Manager (Acting) on the Action Plan to Address the Overstatement of Revenue due to Technical Errors on the meters resulting in over billing of debtors for April 2024 be NOTED.

20. QUARTER 3 (JANUARY 2024 TO MARCH 2024): PROGRESS ON THE 2023/2024 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (REF:10.4.1)

Report dated 23 May 2024 by the Senior Manager: Strategic Planning. (Circulated separately on the Audit Committee agenda link)

It was
RESOLVED

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

That the Quarter 3 (January 2024 to March 2024) Progress on the 2023/2024 Service Delivery and Budget Implementation Plan (SBIP) as contained in the report dated 23 May 2024 by the Senior Manager: Strategic Planning be NOTED.

21. IMPLEMENTATION OF THE FINANCIAL RECOVERY PLAN FOR MARCH 2024 (REF: 3.7.1 (23/24)

Report dated 14 May 2024 by the Municipal Manager (Acting). (Circulated separately on the Audit Committee agenda link)

It was
RESOLVED

That the Implementation of the Financial Recovery Plan (FRP) for March 2024 as contained in the report dated 14 May 2024 by the Municipal Manager (Acting) be NOTED.

22. CONSOLIDATED REPORT BY THE MUNICIPAL MANAGER (ACTING) (REF: 3.10.1)

Report dated 19 June 2024 by the Municipal Manager.

(Item 26 on agenda circulated on the Audit Committee Agenda Link).
(The Municipal Manager) (Acting}joined the proceeding at 12:38).

22.1 Audit Committee members expressed their frustration over the ongoing late receipt of the Municipal Manager's Consolidated Report. It was pointed out that the report did not include the Section 66 and 71 Reports, as well as the Irregular Expenditure and Revenue Enhancement Reports.
22.2 In addition to this, it was pointed that it was crucial that the Municipal Manager (Acting) made every effort to be present at all Audit Committee meetings in order to have an understanding of the issues raised by the Committee. Audit Committee members stressed that accountability was required within the Municipality for all issues raised by the Committee.
22.3 It was subsequently mentioned that that the Audit Committee had noted with concern that certain Management Responses and Reports were no longer consolidated into the Municipal Manager's report to the Audit Committee and were instead being submitted to Committee in a piece-meal form.

It was thereafter
RESOLVED

(a) That the report dated 19 June 2024 by the Municipal Manager (Acting) for the month of ending May 2024 be NOTED.
(b) That the Accounting Officer be instructed to approach the leadership of the Msunduzi Council to take the next steps forward in obtaining by-in from all Ward Councillors in terms of understanding the effects of the non-payment of municipal services and addressing the culture of non-payment of municipal services in all wards.
(c) That the Accounting Officer conducts a follow-up with all Deputy Municipal Managers on the non-submission of reports requested by the Audit Committee and ensures that a reporting mechanism be put in place to ensure the implementation of all Audit Committee recommendations and resolutions.
(d) That the Accounting Officer reviews the public relations impact over the non-payment of municipal services within all wards, targeting the wards with the highest outstanding debt, with a purpose of educating consumers and turning around the culture of non-payment for municipal services.
(e) Committee subsequently requested that the Structure of the Municipal Manager's Report to the Audit Committee be changed; effectively separating the Financial Reporting component for the period into a separate report with effect from the 2024/2025 Financial Year as follows: -
(i). Accounting Officer's Report to the Audit Committee must comprise of the following: -
internal Controls (including ICT, Consequence Management, Media Analysis Report, Progress / Close out reports by Deputy Municipal Managers on...fil! Internal Audit Reports), Risk Management, Performance Management Reporting on the Financial Recovery Plan, Service Delivery Budget Implementation Plan and any other compliance reporting; Performance Management Report Municipal Entities (Safe City Entity).
(ii). Consolidated Report by Chief Financial Officer must be a separate report to the Audit Committee comprising of the following: -
Accounting Practices and Procedures for the period (Section 66 and 71 Reporting, Monthly Payroll Reporting and Activities, Annual Reporting for the Municipality and its Entities, Auditor General Findings, Month End Discipline, SAP/MSCOA, Conditional Grant Expenditure any other compliance reporting), Loss Control (Unauthorized, Irregular, Fruitless and Wasteful Expenditure, Creditors Analysis Reporting, Overtime Breakdown Schedule for all Business Units for the period), Revenue (Monthly Cash Flow Management Report, Schedule of Revenue Generated from filLRevenue Generating Business Units, Ward Debt, Government Debt, Aloe Ridge Debt, Ingonyama Trust Debt, Eskom Debt, Umgeni Water Debt, Staff Debt, Councillor Debt, Revenue Enhancement Strategies, etc).

23. SUMMARY OF AUDIT COMMITTEE URGENT OUTSTANDING MATTERS

Scheduled updated as of 27 December 2023 by Corporate Services Business Unit. (Circulated separately on the Audit Committee Agenda Link)

It was
RESOLVED

That the Summary of Urgent Audit Committee Outstanding Matters as of 27 December 2023 by the Corporate Services Business Unit be NOTED.

24. OUTSTANDING MATTERS THAT REQUIRE CLOSE UP REPORTS

Report dated 27 December 2023 by the Corporate Services Business Unit. (Circulated separately on the Audit Committee Agenda Link)

It was
RESOLVED

That the Audit Committee Outstanding Matters report dated 27 December 2023 by the Corporate Services Business Unit be NOTED.

25. URGENT: REPORT ON THE AUDIT OF ADVERTISING AN SIGNAGE BUILDING CONTROL SUB-UNIT: UPDATE ON THE AUDIT ACTION PLAN TO ADDRESS INTERNAL AUDIT FINDINGS ON THE ADVERTISING SIGNING CONTROL SUB-UNIT (REF: 3.8.2.3)

Report dated 6 June 2024 by the Senior Manager: Planning and Environment (Ref:07/2022/23). (Page 363 of agenda)

It was
RESOLVED

(a) That the interventions put in place to deal with the Signage related findings as raised in the Internal Audit Report during the 2023/2024 Auditing of the Signage and Building Control Section and the update on the current Audit Action Plan items put forward by the business unit as a whole, be NOTED and be confirmed accordingly by the Internal Audit Unit.
(b) That the progress made in respect of the Signage in addressing the Audit Findings of the year ending June 2024 and corrective measures being implemented to mitigate the risk of repeated findings for the signage processes, be NOTED and be confirmed by the Internal Audit Unit accordingly.

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26. REMEDIAL REPORT ON WASTE MANAGEMENT AND LANDFILL SITE: ACTION PLAN (REF:18.1.R)

Report dated 12 June 2024 by the Senior Manager: Waste Management (Acting). (Page 432 of agenda)

It was pointed out that the responses to the report were in landscape and therefore were not clearly readable.

In the absence of the Deputy Municipal Manager: Community Services (Acting), it was
RESOLVED

That the report dated 12 June 2024 by the Senior Manager: Waste Management (Acting) in respect of the Action Plan for the Waste Management and Landfill Site be DEFERRED to the next meeting of the Audit Committee.

27. REPORT ON MONTH-END DISCIPLINE: APRIL 2024 {REF:3.7.1 (23/24})

Report dated 3 June 2024 by the Chief Financial Officer. (Page 30 of Committee Circular No. 172 of 2024)

It was
RESOLVED

That the report dated 3 June 2024 by the Chief Financial Officer on the Month-End Discipline Procedures for April 2024 be NOTED.

28. REPORT ON MONTH-END DISCIPLINE: MAY 2024 CREF:3.7.1 (23/24})

Report dated 14 June 2024 by the Chief Financial Officer. (Page 58 of Committee Circular No. 172 of 2024)

It was
RESOLVED

That the report dated 14 June 2024 by the Chief Financial Officer on the Month-End Discipline Procedures for May 2024 be NOTED.

29. REPORT ON THE ACTION PLAN TO ADDRESS THE OVERSTATEMENT OF REVENUE TO TECHNICAL ERRORS ON THE METERS RESULTING IN OVER BILLING OF DEBTORS FOR MAY 2024 {REF: 3.3.1.1.1)

Report dated 10 June 2024 by the Municipal Manager (Acting). (Page 87 of Committee Circular No. 172 of 2024)

It was
RESOLVED

That the report dated iO June 2024 by the Municipal Manager (Acting) on the Action Plan to Address the Overstatement of Revenue due to Technical Errors on the meters resulting in over billing of debtors for May 2024 be NOTED.

30. OUTSTANDING REPORT: STATUS OF INTERNAL AUDIT RECOMMENDATIONS ON THE FINAL INTERNAL AUDIT REPORT ON DISASTER MANAGEMENT CANNEXURE Al {REF: 3.10.1.1)

Report dated 18 June 2024 by the Deputy Municipal Manager: Community Services (Acting). (Page 112 of Committee Circular No. 172 of 2024)

In the absence of the Deputy Municipal Manager: Community Services (Acting), it was
RESOLVED

That the status report on Internal Audit Recommendation of the Final Internal Audit Report on Disaster Management in the report dated 18 June 2024 by the by the Deputy Municipal Manager: Community Services (Acting) be DEFFERRED to the next meeting of the Audit Committee.

31. QUARTER 3 RISK MANAGEMENT COMMITTEE REPORT 2023/2024 FINANCIAL YEAR (REF: 3.7.1/2023/2024)

Report dated 18 June 2024 by the Chairperson of the Risk Management Committee. (Page 122 of Committee Circular No. 172 of 2024)

It was
RESOLVED

That the report 18 June 2024 by the Chairperson of the Risk Management Committee on the Quarter 3 Risk Management Committee Report for the 2023/2024 Financial Year be NOTED.

32. UPDATE ON THE ARREAR DEBT FROM ALOE RIDGE

(Raised verbally)

The Chief Financial Officer reported that Capital Housing was the entity that was in arrears for an amount of approximately R1,5 million. It was reported that they were using the invasion by the uMkhonto we Sizwe Military Veterans at the Aloe Ridge rental complex as an excuse for the arrears. She reported that the Rental Entity had also promised to pay Council arrears for the Acacia and Signal Hill complexes.

It was noted that Capital Housing was under business rescue, and that they were waiting for the Business Rescue Practitioner to release funds to pay these arrears. NOTED.

33. ANNOUNCEMENT: END OF TERM FOR AUDIT COMMITTEE MEMBER: MR L QUAYLE

(Raised verbally)

The Chairperson reported that the term of contract for Audit Committee Member (Mr Leo Quayle) had come to an end that month.

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Mr Quayle took the opportunity to urge Management to keep their focus on improving inter-business unit communications. He pointed out that Msunduzi Municipality required strong leadership to improve revenue collection and to move the Municipality to greater heights. He pointed out that management reports to the Audit Committee came in on a piece-meal basis instead of being consolidated by the Office of the Municipal Manager. He observed that the manner in which the Audit Committee was treated by Management was unprofessional in their last-minute reporting. He emphasized that the outstanding reports requested by the Audit Committee had no follow up and progress reporting by Management. He also mentioned that the problem of the lack of a proper sound system for the venue showed a lack of respect for Audit Committee meetings.

Members extended their well wishes to Audit Committee Member (Mr Leo Quayle) for his valued contributions over his term of contract at the Audit Committee. Members thanked Mr Quayle for his quality objectives and all his efforts put forward towards Msunduzi Municipality.

The Audit Committee wished Mr Leo Quayle welt in his future endeavours. NOTED.

(The main Audit Committee Agenda was concluded at 14:00 at which point the Committee adjourned for a lunch break and reconvened at 14:20 to commence with Confidential Items with the respective designated officials).

CONFIDENTIAL: NOT FOR PUBLICATION

34. CONFIRMATION OF CONFIDENTIAL MINUTES

Minutes of confidential meeting held on 23 April 2024. (Page 1 of Confidential Committee Circular No. 32 of 2024)

CONFIDENTIAL: NOT FOR PUBLICATION

35. FORENSIC INVESTIGATION INTO ALLEGATIONS OF FRAUDULENT FUNDS TRANSFERS FROM MSUNDUZI MUNICIPAL PAYROLL ACCOUNTS IN RESPECT OF THE DECEASED INTO THIRD PARTY CAPITEC BANK ACCOUNTS BY THE PAYROLL OFFICER: MS NOMZAMO PRECIOUS TSHABALALA: PAY NUMBER: 1207300: ID NO: 8704010769080 BETWEEN SEPTEMBER 2021 AND MAY 2022: BUDGET AND TREASURY OFFICE (REF: 3.10.1.1)

Report dated 8 May 2024 by the Chief Audit Executive (Ref: FI-3/2022/23). (Page 6 of Confidential Committee Circular No. 32 of 2024)

CONFIDENTIAL: NOT FOR PUBLICATION

36. FORENSIC INVESTIGATION INTO THE ALLEGED FRAUD ON OVERTIME. ABSENTEEISM AND ABUSE OF MUNICIPAL VEHICLE NPC 4752 BY THE MSUNDUZI MUNICIPAL EMPLOYEE NO.2101550: SV MBONGWA: ID NUMBER: 8311165804082: INFRASTRUCTURE: WATER AND SANITATION (REF:3.10.1.1)

Report dated 10 June 2024 by the Chief Audit Executive (Ref: FI-2023-24). (Page 38 of Confidential Committee Circular No. 32 of 2024)

CONFIDENTIAL: NOT FOR PUBLICATION

37. REQUEST BY THE FULL COUNCIL AT ITS MEETING HELD ON 30 APRIL 2024: FINAL INTERNAL AUDIT REPORT ON THE REMUNERATION PACKAGE OF TWO PERMANENT SECTION 56 MANAGERS (REF: 3.10.1.1)

Extract of the unconfirmed minutes of the Full Council meeting held on 30 April 2024. (Page 93 of Confidential Committee Circular No. 32 of 2024)

38. FORENSIC INVESTIGATION INTO THE ALLEGED FRAUD ON OVERTIME, ABSENTEEISM AND ABUSE OF MUNICIPAL VEHICLE NPC 453 BY MUNICIPAL EMPLOYEE NO. PT NDLOVU: 810514 5295 084: INFRASTRUCTURE SERVICES: WATER AND SANITATION

Report dated 7 June 2024.by the Chief Audit Executive (Ref: FI-8/2023/24) (Page 33 of Confidential Committee Circular No. 33 of 2024)

Report dated 15 February 2024 by the Chairperson: Risk Management Committee. (Item 25 on the agenda, circulated separately on the Audit Committee Agenda Link)
Members of the Audit Committee welcomed the comprehensive report by the Chairperson of the Risk Committee.
The Chairperson of the Risk Management Committee was urged to detail the challenges and frustrations in ensuring that the measures to address risks were implemented by Management timeously. It was requested that the Top Twenty Risks must be workshopped with senior management together with members of the Audit Committee.

The Municipal Manager reported that the Chief Risk Officer must provide the Audit Committee with feedback on the Top Twenty Risks. He notified the Audit Committee that the Top Twenty Risks were approved and adopted by the Council, and that it did go through the process of a workshop session. In addition to this, it was submitted to the Audit Committee at its previous meeting held on 29 August 2023. The Municipal Manager reminded Committee that the Top Twenty Risks also received media attention local press. He stressed that the Chief Risk Officer must address the issue of the non-attendance of Risk Champions at the Risk Committee meetings.

The Municipal Manager reported that the Risk Management Unit was under-staffed. In order to address this matter, he indicated that new staff would be allocated to this Unit. He then explained that within certain other business units, there were surplus staff that needed to be relocated to business units that required staffing capacity.

The Municipal Manager urged the Chairperson of the Risk Management Committee to identify gaps within Risk Management and to make these submissions to the Officer of the Municipal Manager. He advised that it is regrettable that Provincial Treasury was no longer providing support for Risk Management due to a lack of funding. He indicated that consideration should be given to approaching Chief Risk Officers from other municipalities for assistance and inputs on Council's Risk Management Plans.

The Chairperson of the Risk Management Committee noted the inputs by the Committee. He concurred with the Municipal Manager and undertook to communicate with the Office of the Municipal Manager further in order to determine how the respective risks for each business unit would be managed.

The Chief Risk Officer reported that he acted upon the instructions of the Risk Management Committee to approach National Treasury. However, a negative response was received from National Treasury. He reminded Committee that he was the only official within the Risk Management Unit. He mentioned that he was over ambitious in including all risk items. He undertook to review the Risk Management Implementation Plan and further reported that the Risk Register was incomplete. He advised that the groundwork for the Risk Register was undertaken, and that the Risk Register would be submitted to the next meeting of the Audit Committee.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

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HYBRID MEETING HELD IN THE SECOND FLOOR BOARDROOM,
HARRY GWALA STADIUM, ON TUESDAY, 29 OCTOBER 2024 AT 09:00.

1. CONFIRMATION OF THE AGENDA 108

(Item 3 on agenda)

It was
RESOLVED

That the current agenda of the Audit Committee be accepted with no further changes.

2. CONFIRMATION OF MINUTES

2.1 Minutes of meeting held on 27 August 2024\

(Page 1 of agenda)

It was
RESOLVED

That the minutes of the Audit Committee meeting held on Tuesday, 27 August 2024 be CONFIRMED.

2.2 Minutes of special meeting held on 31 August 2024 (Page 25 of agenda)

It was
RESOLVED

That the minutes of the special meeting Audit Committee held on Tuesday, 31 August 2024 be CONFIRMED.

3. VERBAL REPORT BY THE OFFICE OF THE AUDITOR GENERAL

(Item 6 on agenda)

The Manager: Auditor General reported that there was nothing to report to the Committee at the current stage.

NOTED.

4. FINAL INTERNAL AUDIT REPORT FOLLOW-UP ON SAFE CITY {REF: 3.10.1.1)

Report dated 15 July 2024 by the Chief Audit Executive (Ref: FuA4 of 2023/24). (Page 27 of agenda)

The Chief Audit Executive reported that there was a problem with the respective services providers utilized by the Safe City Entity that deemed the Entity from not undertaking the respective projects in line with Council Policy, Rules and Regulations. He explained that the Entity was moved from the Community Services Business Unit and placed under the management of the Sustainable Development and City Entities Business Unit which resulted in the current challenges with the reporting mechanism. He mentioned that the Entity must be relocated to the Community Services Business Unit to ensure a smooth operating system with the Public Safety, Enforcement and Emergency Services Unit.

The Deputy Municipal Manager: Community Services (Acting) undertook to ensure that the issue of response to cases by the Public Safety and Enforcement Unit was adequately addressed and responded to.

It was
RESOLVED

That the Manager: Safe City Entity was requested to provide the Audit Committee with a list of areas that the Entity required assistance with at its next meeting.

It was subsequently
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the Accounting Officer and the Deputy Municipal Manager: Sustainable Development and City Entities ensure the implementation of the following recommendations as detailed in the report 1dated 5 July 2024 by the Chief Audit Executive (Ref: FuA4 of 2023/24), with a report back to the Audit Committee three months from the date of the Council approval: -

(a) That the above contract and expenditure incurred be recorded as Irregular Expenditure and Disclosed in the Annual Financial Statements for the 2022/2023 Financial Year.
(b) That Consequence Management be implemented in accordance with National Treasury Instruction Note 10.
(c) That Senior Management and the Board of Directors of the Safe City Entity ensure that all procurement undertaken by Safe City be in compliance with the Msunduzi Municipality Supply Chain Management Policy.
(d) That Senior Management and the Board of Directors of the Safe City Entity revise the Policy to be aligned with practice.
(e) That Senior Management and the Board of Directors of the Safe City Entity review whether the amount meets the definition of Irregular Expenditure. Should this be determined to be the case, the expenditure on this contract must be included in the Irregular Expenditure Register and an investigation must be undertaken.
(f) That Msunduzi Municipality Senior Management and the Board of Directors of the Safe City Entity Consequence Management be implemented for any non-compliance.
(g) The transactions listed above and other goods or services which were purchased without following the Supply Chain Management processes be disclosed in the Annual Financial Statements for the 2022/2023 Financial Year.
(h) The Board of Safe City must report in writing to the Mayor and Municipal Manager of the entity's parent municipality and the Auditor General as required by Section 102 of the Municipal Finance Management Act.
(i) Management ensure that payments are made only on valid tax invoices.
0) Supervisory control over payments must be strengthened.
(k) That the Municipal Manager (Acting) and Chief Financial Officer (Acting) ensure that the payments listed above and other goods or services which were purchased without a valid tax invoice be Disclosed in the Annual Financial Statements for the 2022/2023 Financial Year.
(l) That Senior Management and the Board ensure the Service Level Agreement be complied with and the invoice be sent timeously to the Municipality.
(m) That the Municipal Manager (Acting) ensure compliance with Municipal Finance Management Act and settle all invoices submitted within 30 days.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

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(n) That the Municipal Manager (Acting) call for an urgent meeting of the Deputy Managers for Community Services and Sustainable Development and City Entities with their respective Senior Managers for Municipal Entities, Public Safety as well as the Chief Traffic Officer and Chief Security Officer and the Manager for Safe City to discuss the matter of Failure to Respond to Incidents of Crime and Bylaw Infringements detected by the Safe City Closed Circuit Television integrated systems.
(o) That the Municipal Manager (Acting) issue memoranda in writing to the Deputy Managers for Community Services and Sustainable Development and City Entities with their respective Senior Managers for Municipal Entities, Public Safety as well as the Chief Traffic Officer and Chief Security Officer with specific instructions in relation of responding to the Incidents of Crime and Bylaw Infringements detected by the Safe City Closed Circuit Television integrated systems.
(p) That the Deputy Managers for Community Services and Sustainable Development and City Entities ensure that in their monthly reports they include their performance in relation of the Incidents of Crime and Bylaw Infringements detected by the Safe City Closed Circuit Television integrated systems that were referred and how they responded to them and explanation for not responding.
(q) That the Municipal Manager (Acting) ensure that the Performance Agreements of Deputy Managers for Community Services and Sustainable Development and City Entities with their respective Senior Managers for City Entities, Public Safety as well as the Chief Traffic Officer and Chief Security Officer include the Key Performance Areas that relate to incidents of Crime and Bylaw Infringements detected by the Safe City Closed Circuit Television integrated systems.

5. REPORT ON THE REVIEWED RISK MANAGEMENT CHARTER REVIEW (REF: 3.10.2.5)

Report dated 23 September 2024 incorporating recommendations of the Risk Management Committee.

(Page 97 of agenda)

Following brief discussion, it was
RESOLVED TO RECOMMEND TO THE FULL COUNCIL

That the Risk Management Committee Charter as detailed on the report dated 23 September 2024 incorporating the recommendations of the Risk Management Committee be APPROVED and be ADOPTED.

6. REPORT ON THE RISK MANAGEMENT CHAMPIONS ACTION PLAN FOR THE 2024/2025 FINANCIAL YEAR (REF: 3.10.2.5)

Report dated 23 September 2024 incorporating recommendations of the Risk Management Committee. (Page 112 of agenda)

It was subsequently
RESOLVED

(a) That the report dated 23 September 2024 incorporating recommendations of the Risk Management Committee detailing the Risk Management Champions Action Plan for the 2024/2025 Financial Year be NOTED.
(b) That the Chief Risk Officer includes the names, designations and business units of the nominated Risk Management Project Champions, together with dates assigned to each item on the Risk Management Action Plan.

7. REPORT ON RISK ASSESSMENT OUTCOME OF FRAUD AND CORRUPTION RISKS (REF: 3.10.2.5)

Report dated 23 September 2024 incorporating recommendations of the Risk Management Committee. (Page 121 of agenda)

The Chairperson sought clarity on whether the internal Audit Reports and Forensic Investigation reports on Fraud and Corruption were factored into the Risk Assessment.

In response, the Chief Risk Officer reported that the Risk Assessment Outcome of Fraud and Corruption Risks was a live document which was open to additions as required from the respective business units that needed to input additional risks.

The Chief Risk Officer reported that the Assessment was conducted before the end of June 2024, and that the Deputy Municipal Managers must ensure that evidence was provided.

Regarding the capacity of human resources at the Risk Management Unit, it was stressed that the Risk Management Committee must address the issue of the lack of capacity.

The Municipal Manager (Acting) confirmed that two (2) officials were seconded to the Risk Management Unit. She pointed out that Deputy Municipal Managers must account for their respective risk outcomes.

The Audit Committee emphasized that status updates on the risk outcomes and issues of fraud must come from the Deputy Municipal Managers.

It was
RESOLVED

That the report dated 23 September 2024 incorporating recommendations of the Risk Management Committee on the Risk Assessment Outcome of Fraud and Corruption Risks be STOOD DOWN from the current meeting of the Audit Committee to ensure the correction of the due dates, and inclusion of status updates on risk outcomes and issues of fraud from the respective Deputy Municipal Managers on the revised report.

8. REPORT ON THE RISK MANAGEMENT POLICY REVIEW (REF: 3.10.2.5)

Report dated 23 September 2024 incorporating recommendations of the Risk Management Committee. (Page 128 of agenda)

It was
RESOLVED

That the report dated 23 September 2024 incorporating recommendations of the Risk Management Committee considering the Risk Management Policy Review be STOOD DOWN from the current meeting of the Audit Committee to allow for the Chief Risk Officer to highlight the matters that had been either omitted or updated on the current Policy on the revised report.

9. REPORT ON THE RISK MANAGEMENT STRATEGY AND OPERATIONAL PLAN FOR THE 2024/2025 FINANCIAL YEAR (REF: 3.10.2.5)

Report dated 23 September 2024 incorporating recommendations of the Risk Management Committee (Page 150 of agenda)

Audit Committee members queried the numerous changes to the composition of the Risk Management Committee, and pointed out that the report did not highlight this issue.

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The Chairperson of the Risk Management Committee reported that there was a commitment for improvement. He indicated that the Risk Management Committee had requested the alignment of the Risk Operational Plan. He mentioned that the amended schedules contained the deliberation of the Risk Management Committee.

It was
RESOLVED

That the report dated 23 September 2024 incorporating recommendations of the Risk Management Committee on the Risk Management Strategy and Operational Plan for the 2024/2025 Financial Year be STOOD DOWN from the current meeting of the Audit Committee to allow for the submission of a revised report.

10. RISK MANAGEMENT REPORT ON KEY STRATEGIC RISKS FOR THE MUNICIPALITY (REF: 3.10.2.5)

Report dated 23 September 2024 incorporating recommendations of the Risk Management Committee (Page 184 of agenda)
It was
RESOLVED

That the report dated 23 September 2024 incorporating recommendations of the Risk Management Committee detailing the Key Strategic Risks for the Municipality be STOOD DOWN from the current meeting of the Audit Committee.

11. REPORT ON OPERATIONAL RISK REGISTER (REF: 3.10.2.5)

Report dated 23 September 2024 incorporating recommendations of the Risk Management Committee (Page 189 of agenda)

It was
RESOLVED

That the report dated 23 September 2024 incorporating recommendations of the Risk Management Committee considering the Operational Risk Register be STOOD DOWN from the current meeting of the Audit Committee.

12. ICT AUDIT ACTION PLAN PROGRESS REPORT FOR THE 2021/2022 FINANCIAL YEAR (REF:3.10.1.1)

Report dated 5 August 2024 by the Deputy Municipal Manager: Corporate Services. (Page 197 of agenda)

It was
RESOLVED

That the report dated 5 August 2024 by the Deputy Municipal Manager: Corporate Services on the ICT Audit Action Plan Progress Report for the 2021/2022 Financial Year be NOTED.

13. ICT AUDIT ACTION PLAN PROGRESS FOR THE 2022/2023 FINANCIAL YEAR (REF:3.10.1.1)

Report dated 5 August 2024 by the Deputy Municipal Manager: Corporate Services. (Page 200 of agenda)

It was
RESOLVED

That the report dated 5 August 2024 by the Deputy Municipal Manager: Corporate Services on the ICT Audit Action Plan Progress Report for the 2022/2023 Financial Year be NOTED.

14. PROGRESS UPDATE ON THE AUDIT COMMAND LANGUAGE (ACL) ACQUISITION AND IMPLEMENTATION (REF: 4.2.1)

Report dated 11 September 2024 by the Deputy Municipal Manager: Corporate Services (Page 246 of agenda)

It was
RESOLVED

That the report dated 11 September 2024 by the Deputy Municipal Manager: Corporate Services on the ICT Audit Action Plan Progress Report for the 2021/2022 Financial Year be NOTED.

15. APPROVAL OF THE DRAFT EMPLOYMENT EQUITY PLAN 2024-2029 (REF: 4.6.P)

Report dated 9 October 2024 by the Deputy Municipal Manager: Corporate Services (Page 205 of agenda)

It was
RESOLVED

That the report dated 9 October 2024 by the Deputy Municipal Manager: Corporate Services on the Draft Employment Equity Plan 2024 to 2029 be NOTED.

16. APPROVAL OF THE REVIEWED EMPLOYMENT EQUITY POLICY (REF: 4.6.P)

Report dated 9 October 2024 by the Deputy Municipal Manager: Corporate Services (Page 208 of agenda)

It was
RESOLVED

That the report dated 9 October 2024 by the Deputy Municipal Manager: Corporate Services on the Reviewed Employment Equity Policy be NOTED.

17. MUNICIPAL MANAGER'S CONSOLIDATED REPORT FOR SEPTEMBER 2024 (REF: 3.10.1.1)

Report dated 25 October 2024 by the Municipal Manager (Acting) (Circulated separately on the Audit Committee agenda link)

17.1 Clarity was sought on the necessity Municipal Manager's Reporting on the Risk Management Operational Activities to the Audit Committee, and whether there was any duplication of matters from the Risk Management Committee.
17.2 The Audit Committee Chairperson requested the Chairperson of the Risk Management Committee to submit one consolidated report on issues raised at the Risk Management Committee for consideration at the Audit Committee.

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17.3 Management undertook to obtain a report on the issue of the status of medical aid from the Benefits Office for staff at the Safe City Entity.
17.4 With reference to the article on the Auction of Municipal Vehicles and Furniture in the local press on Monday, 28 October 2024, Management was urged to ensure that a Municipal Council resolution was obtained for the disposal of any municipal asset prior to any auction procedures to avoid any possible audit query.

It was thereafter
RESOLVED

That the report dated 25 October 2024 by the Municipal Manager (Acting) for the month of September 2024 comprising of the following reports be NOTED: -

(a) Financial Recovery Plan for September 2024,
(b) Service Delivery and Budget Implementation Plan for July 2024 to September 2024,
(c) Risk Management Activities for the month of September 2024,
(d) Safe City Entity Reporting for the month of September 2024,
(e) Information, Communication Technology (ICT) Governance Reporting as of September 2024,
(f) Confidential: Consequence Management Reporting for September 2024 and
(g) Media Analysis Reporting for September 2024.

18. CHIEF FINANCIAL OFFICER'S (ACTING) REPORT FOR THE MONTHS OF AUGUST 2024 AND SEPTEMBER 2024 (REF: 3.10.1.1)

Report dated 14 October 2024 by the Chief Financial Officer (Acting). (Circulated separately on the Audit Committee agenda link)

18.1 Committee members sought clarity on whether there was a reduction on the payment of the Eskom and Umgeni-uThukela Water debt.
18.2 It was noted that the Eskom Winter Tariffs for September 2024 was high, and that a huge portion of all revenue collected was set aside to meet the payment plan instalments for Eskom and Umgeni-uThukela Water debt.
18.3 Management was urged to implement proper enforcement of laws for the tampering of electricity and water meters, including any other municipal infrastructure.
18.4 Responding to a query regarding which projects were at risk of losing the rollover of Conditional Grant Funding by National Treasury due to slow expenditure, Management briefly reported on the various high value projects.

It was subsequently
RESOLVED

That reports dated 14 October 2024 by the Chief Financial Officer (Acting) for the months of August 2024 and September 2024; respectively, comprising of the following reports be NOTED: -

(a) Report on Monthly Payroll Activities for the month of August 2024,
(b) Report on SAP/MSCOA as of 31 August 2024,
(c) Report on Fruitless and Wasteful Expenditure as of 31 August 2024,
(d) Creditors Analysis Report as of 31 August 2024,
(e) Cash Flow Report as of 31 August 2024,
(f) August 2024 Audit Action Plan to Address the 2021/2022 Auditor General Findings,
(g) Month End Discipline Report for the month of August 2024,
(h) Conditional Grants Expenditure Report as of 31 August 2024,
(i) Section 66 and 71 Report for the month of August 2024,
0) Report on Monthly Payroll Activities for the month of September 2024,
(k) Report on SAP/MSCOA as of 30 September 2024,
(l) Report on Fruitless and Wasteful Expenditure as of September 2024,
(m) Creditors Analysis Report as of 30 September 2024,
(n) Cash Flow Report as of 30 September 2024,
(o) September 2024 Audit Action Plan to Address the 2021/2022 Auditor General Findings,
(p) Month End Discipline Report for the month of September 2024,
(q) Conditional Grants Expenditure Report as of 30 September 2024,
(r) Section 66 and 71 Report for the month of September 2024 and
(s) Irregular Expenditure Report for the month of September 2024.

19. CONFIRMATION OF INSURANCE FOR PUBLIC LIABILITY: FIRE DAMAGE TO SURROUNDING RESIDENTIAL AREAS LOCATED NEAR THE MUNICIPAL FORESTRY (REF:3.9)

Report dated 25 June 2024 by the Deputy Municipal Manager: Sustainable Development and City Entities (Acting).

(Page 16 of Committee Circular No. 344 of 2024)

Following brief discussion, it was
RESOLVED

That the report dated 25 June 2024 by the Deputy Municipal Manager: Sustainable Development and City Entities (Acting) confirming the Public Liability Insurance for Fire Damage to Surrounding Residential Areas Located near the Municipal Forestry be NOTED and be removed from the list of Urgent Items requested by the Audit Committee.

20. PRESENTATION ON WATER METERING OF UNMETERED AREAS FOR REVENUE ENHANCEMENT (REF: 3.10.1.1)

Presentation by the Deputy Municipal Manager: Infrastructure Services. (Page 26 of Committee Circular No. 344 of 2024)

The Senior Manager: Water and Sanitation explained how the value for water consumption was derived for those areas that had indigent consumers. He informed the Committee that indigent consumers in certain areas were not billed for their water consumption. In addition, he indicated that many indigent consumers were not coming forward and applying for their indigency. He stressed that this was one of the areas whereby the Council was losing revenue due to the high-water consumption. Furthermore, the Senior Manager: Water and Sanitation reported that management must ensure that consumer water meters must be installed for all municipal housing projects. He also reported that there was an observation that indigent households consumed more than the approved 6 kilo litres allocated as the free basic water provision by Council, which impacted on the high-water bill and loss of revenue to Council.

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS
COMMITTEE RECOMMENDATIONS DURING 24/25 FINANCIAL YEAR

The Senior Manager: Revenue confirmed that standpipes were not billed in terms of the water consumed. She pointed out that consumers should not be using standpipes to access water for household water consumption, which resulted in the high-water bill and water losses. She added that households in the Vulindlela area were charged a flat rate tariff for domestic household water consumption, but that these households did not have restriction washers that limited the households to the 6 kilo Liters free basic water provision, it being noted these households were consuming more than the 6 kilo litres free basic water provision. She stressed that there was no way to monitor water consumption in this area. She informed the Committee that other municipalities had a system of water tags for approved indigent consumers.

Audit Committee members expressed concern over the lack of management of the high-water bill and sought clarity on how Management would be able to cope with the purchase of the additional 25 000 water meters. It was stressed that management much address the issue of the tampering of water meters and put in place mechanisms to cap the 6 kilo litres free basic water provision to all approved indigent households throughout the entire municipal jurisdiction, including doing away with the consumption of water through standpipes by installing water meters for individual households. It was pointed out that it was not logical to take away resources from metered areas and paying consumers, whereas there was no control over the water consumption in areas that were causing the high-water bill and high-water losses.

The Municipal Manager (Acting) confirmed that the municipal water losses were extremely high. She pointed out that the city was experiencing water curtailment by Umgeni-uThukela Water as a result Management not addressing the high-water losses. She reiterated that management should not sacrifice its paying consumers. She emphasized that despite the measures that Management was implementing to reduce water losses, Umgeni-uThukela Water was requesting that the water losses must be reduced further. She stressed that Management must take an aggressive approach to reduce water losses.

It was thereafter
RESOLVED

(a) That the Presentation on Water Metering of Unmetered Areas for Revenue Enhancement be NOTED and be submitted to the Msunduzi Council for further consideration.
(b) That this item be removed from the list of Urgent Items requested by the Audit Committee.

21. PROGRESS ON TOKEN IDENTIFIER (TID) ROLLOVER PREPAYMENT METER RESET PROJECT UPDATE 2 (REF: 3.3.121)

Report dated 9 July 2024 by the Deputy Municipal Manager: Electricity Supply Service (Acting). (Page 174 of Committee Circular No. 344 of 2024)

The Chief Engineer: Revenue Management: Electricity Supply Services Business Unit reported that the 24 November 2024 deadline for the Token Identifier Rollover Prepayment Meter Reset Project would not be met. He mentioned that the challenge of transformer overloading due to meter tampering was causing a strain on the transformers, with the Business Unit having a lack of funds to keep repairing transformers affected by tampering. He indicated that there was a slight improvement in the sale of prepaid electricity tokens.

The Municipal Manager (Acting) indicated that approximately 12 000 prepaid electricity consumers were purchasing prepaid electricity from a total of approximately 40 000 prepaid electricity consumers. She stressed that more needed to be done by the Electricity Supply Services Business Unit to address the prepaid electricity consumers who were not purchasing electricity or, those consumers who were by-passing the prepaid electricity meters.

It was thereafter
RESOLVED

That the report dated 9 July 2024 by the Deputy Municipal Manager: Electricity Supply Service (Acting) detailing the Progress on the Token Identifier (TID) Rollover Prepayment Meter Reset Project Update 2 be NOTED and be removed from the list of Urgent Items requested by the Audit Committee.

22. REPORT TO THE AUDIT COMMITTEE ON THE PROGRESS MADE BY THE PIETERMARITZBURG AIRPORT IN CORRECTING THE AUDIT FINDINGS BY THE INTERNAL AUDIT UNIT (REF: 25.2.3.1.1)

Report dated 23 September 2024 by the Deputy Municipal Manager: Sustainable Development and City Enterprises.

(Page 249 of the agenda)

It was
RESOLVED

That the report dated 23 September 2024 by the Deputy Municipal Manager: Sustainable Development and City Enterprises considering the Progress made by the Pietermaritzburg Airport in Correcting the Audit Findings by the Internal Audit Unit be NOTED and be verified by the Internal Audit Unit.

23. REPORT TO THE AUDIT COMMITTEE ON THE STATUS UPDATE ON THE IMPLEMENTATION OF THE 2024/2025 FINANCIAL YEAR: ANNUAL AUDIT PLAN (REF: 3.10.1.1)

Report dated 25 October 2024 by the Chief Audit Executive (Ref: SU No. 2 of 2024/2025). (Page 1 of Committee Circular No. 349 of 2024)
It was
RESOLVED

That the report dated 25 October 2024 by the Chief Audit Executive (Ref: SU No. 2 of 2024/2025) considering the Status Update on the Implementation of the 2024/2025 Financial Year: Annual Audit Plan be DEFERRED to the next meeting of the Audit Committee.

24. FINAL INTERNAL AUDIT REPORT ON THE APPLICATION CONTROLS REVIEW ON THE TRAFFIC CONTRAVENTION SYSTEM: PUBLIC SAFETY, EMERGENCY SERVICES AND ENFORCEMENT: COMMUNITY SERVICES (REF: 3.10.1.1)

Report dated 24 October 2024 by the Chief Audit Executive (Ref: ICT 4 of 203/2024). (Page 9 of Committee Circular No. 349 of 2024)
It was
RESOLVED

That consideration of the report dated 24 October 2024 by the Chief Audit Executive (Ref: ICT 4 of 2023/2024) on the Final Internal Audit Report on the Application Controls Review on the Traffic Contravention System for the Public Safety, Emergency and Enforcement Unit: Community Services Business Unit, be DEFERRED to the next meeting of the Audit Committee.

APPENDIX H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

The Msunduzi Municipality did not enter into any long-term contracts and PPPs in the financial year

APPENDIX I: SERVICE PROVIDER PERFORMANCE SCHEDULE

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
SCM5of2021	Bonakude Consulting (Pty)Ltd	Rate Based	Render Internal Audit and other Related Professional Services	YES	Render Internal Audit and other Related Professional Services	Failed to perform as per contract conditions	2	Render Internal Audit and other Related Professional Services	Failed to perform as per contract conditions	2	Contract expired.
SC-M12of21/22	Daleka Trading Enterprise	R8 543 025,70	Construction of Ward 13 Community Hall	NO	Construction of Ward 13 Community Hall	Delays were experienced due to the community unrest. Project timelines were added.	2	Construction of Ward 13 Community Hall	Delayed commencement date due to community unrest at the time the contract was to commence.	2	Project completed. Awaiting completion certificate and close-out report.
SC-M83of20/21	sizwentsa-lubagobodo advisory	Rate Based	Enterprise Resource Planning System to The Internal Audit Unit	YES	Enterprise Resource Planning System to The Internal Audit Unit	Measured by the business unit	N/A	Enterprise Resource Planning System to The Internal Audit Unit	Measured by the business unit	N/A	Contract expired.
SC-M83of20/21	SAB AND T CHARTERED ACCOUNTANTS	Rate Based	Enterprise Resource Planning System to The Internal Audit Unit	YES	Enterprise Resource Planning System to The Internal Audit Unit	Measured by the business unit	N/A	Enterprise Resource Planning System to The Internal Audit Unit	Measured by the business unit	N/A	Contract expired.
SCM8320/21	OLIX TECHNOLOGIES	Rate Based	Enterprise Resource Planning System to The Internal Audit Unit	YES	Enterprise Resource Planning System to The Internal Audit Unit	Measured by the business unit	N/A	Enterprise Resource Planning System to The Internal Audit Unit	Measured by the business unit	N/A	Contract expired.
SC-M83of20/21	ARMS-AUDIT AND RISK MANAGEMENT	Rate Based	Enterprise Resource Planning System to The Internal Audit Unit	YES	Enterprise Resource Planning System to The Internal Audit Unit	Measured by the business unit	N/A	Enterprise Resource Planning System to The Internal Audit Unit	Measured by the business unit	N/A	Contract expired.
SC-M33of21/22	ACUTE INNOVATION	Rate Based	AD-Hoc Professional Planning, Feasibility studies & Dev services for project	YES	Consultancy	Awarded June 2022	N/A	Consultancy	Ad hoc services	Will be scored based on work performed once allocated	Contract expired.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
SC-M33of21/22	PFUKANI-KUSILE CONSULTING	Rate Based	AD-Hoc Professional Planning, Feasibility studies & Dev services for project	YES	Consultancy	Awarded June 2022	N/A	Consultancy	Ad hoc services	Will be scored based on work performed once allocated	SLA finalised for there-running of the Msunduzi Conservation plan (C-Plan) for a period of 3 months from 20 June 2025 for 19 September 2025.
SC-M33of21/22	Markewicz Redman Partnership	Rate Based	AD-Hoc Professional Planning, Feasibility studies & Dev services for project	YES	Consultancy	Awarded June 2022	N/A	Consultancy	Ad hoc services	Will be scored based on work performed once allocated	Contract expired.
SC-M33of21/22	ASANDE PROJECTS	Rate Based	AD-Hoc Professional Planning, Feasibility studies & Dev services for project	YES	Consultancy	Awarded June 2022	N/A	Consultancy	Ad hoc services	Will be scored based on work performed once allocated	Contract expired.
SC-M33of21/22	Isibuko Development Planners	Rate Based	AD-Hoc Professional Planning, Feasibility studies & Dev services for project	YES	Consultancy	Awarded June 2022	N/A	Consultancy	Ad hoc services	4	Contract expired.
SC-M33of21/22	Sivest Sa (Pty) Ltd	Rate Based	AD-Hoc Professional Planning, Feasibility studies & Dev services for project	YES	Consultancy	Awarded June 2022	N/A	Consultancy	Ad hoc services	Will be scored based on work performed once allocated	Contract expired.
SC-M33of21/22	Iyer Urban Design Studio Cc	Rate Based	AD-Hoc Professional Planning, Feasibility studies & Dev services for project	YES	Consultancy	Awarded June 2022	N/A	Consultancy	Ad hoc services	Will be scored based on work performed once allocated	Contract expired.
SC-M33of21/22	Smec South Africa (Pty)Ltd	Rate Based	AD-Hoc Professional Planning, Feasibility studies & Dev services for project	YES	Consultancy	Awarded June 2022	N/A	Consultancy	Ad hoc services	Will be scored based on work performed once allocated	Contract expired.
SC-M33of21/22	Isikhungusethu Enviromental	Rate Based	AD-Hoc Professional Planning, Feasibility studies & Dev services for project	YES	Consultancy	Awarded June 2022	N/A	Consultancy	Ad hoc services	Will be scored based on work performed once allocated	Contract expired.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
SC-M47of20/21	JTN CONSULTING	Rate Based	Construction of Water Reticulation Pipelines in Ezinketheni Ward 29 & 30	YES	Consultancy	Awarded 2022	N/A	Consultancy	No progress report submitted.	N/A	Issues noted regarding submission of requested information from SCM. Matter escalated to project manager. Awaiting the progress reports for the planning phase from the consultant.
SC-M47of20/21	MVULO CONSULTING ENGINEERS	Rate Based	Construction of Sewer reticulation Pipelines in Ward 18 (Shenstone Ambleton)	YES	Consultancy	Awarded 2022	N/A	Consultancy	No progress report submitted.	N/A	Planning phase completed. Awaiting progress reports for planning phase form business unit and consultant.
SC-M47of20/21	MABALENGWE ENGINEERS	Rate Based	Elimination of Conservancy Tanks & Sewer Reticulation Pipelines Ward 12 & 21	YES	Consultancy	Awarded 2022	N/A	Consultancy	No progress report submitted.	N/A	Planning phase completed. Awaiting progress reports for planning phase form business unit and consultant.
SC-M47of20/21	Impande Consulting Engineers Pty Lt	Rate Based	Construction of Sewer reticulation Pipelines in Ward 13 (Shenstone Ambleton)	YES	Consultancy	Awarded 2022	N/A	Consultancy	No progress report submitted.	N/A	Planning phase completed. Awaiting progress reports for planning phase form business unit and consultant.
SC-M47of20/21	mbona Saunders and wium	Rate Based	Emergency replacement of Darvile Sewer Outfall in Ward 35 and 36	YES	Consultancy	Awarded 2022	N/A	Consultancy	No progress report submitted.	N/A	No performance issues reported. Progress reports submitted and up to date.
SC-M47of20/21	LINGELA CONSULTING ENGINEERS	Rate Based	Upgrade to the bulk inlet water pipeline to Reservoir 15 in Ward 4 and 5	YES	Consultancy	Awarded 2022	N/A	Consultancy	No progress report submitted.	N/A	Revised pricing for the project. New engagement letter drafting and submitted for signature. No performance issues have been reported to SCM to date.
SC-M47of20/21	UMZUZO INFRASTRUCTURE PTY LTD	R5 046 099	Planning design and construction monitoring of water and sanitation infrastructure within Msunduzi	YES	Consultancy	Awarded 2022	N/A	Consultancy	No progress report submitted.	N/A	Planning phase reports outstanding, no performance issues reported to SCM.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
SC-M47of20/21	MZOLO CONSULTING	R7 999 773,75	Installation of boreholes, water tanks on galvanised stands and reticulation for nineteen boreholes within Vulindlela	NO	Consultancy	Allocated 2023	N/A	Consultancy	No progress report submitted.	N/A	Planning phase reports outstanding, no performance issues reported to SCM.
SC-M47of20/21	MAKHAOTSE NARASIMULU AND ASSOCIATES	R16 384 721,84	Professional service provider for the planning and construction monitoring for new waterborne sanitation in wards 16 and 21.	NO	Consultancy	Allocated 2025	N/A	Consultancy	N/A	N/A	Hand over meeting held. Awaiting hand over meeting and minutes.
SC-M44OF22/23	ZIMELE ERP IT SERVICES	Rate Based	DATA MIGRATION, INTEGRATION MANAGEMENT, CHANGE MANAGEMENT AND TRAINING SERVICES	YES	New contract	New contract	N/A	Data migration	New contract	N/A	No orders have been created. No spend. No movement. Contract expires 25 July 2026.
SC-M44OF22/23	Technolibra Solutions	Rate Based	DATA MIGRATION, INTEGRATION MANAGEMENT, CHANGE MANAGEMENT AND TRAINING SERVICES	YES	New contract	New contract	N/A	Data migration	New contract	N/A	No orders have been created. No spend. No movement. Contract expires 25 July 2026.
SC-M44OF22/23	Liepzig Advisory (Pty) Ltd	Rate Based	DATA MIGRATION, INTEGRATION MANAGEMENT, CHANGE MANAGEMENT AND TRAINING SERVICES	YES	New contract	New contract	N/A	Data migration	New contract	N/A	No orders have been created. No spend. No movement. Contract expires 25 July 2026.
SC-M25of23/24	MAGNACORP 485	R85 580 816,98	Darvill Sewer Outfall Phase 2 - Replace Existing Sewer Pipes on Bridge 1&2	NO	23/24 Contract	23/24 Contract	N/A	23/24 Contract	23/24 Contract	N/A	Last meeting was held in February 2025 due to a site visit by treasury, and in March due to continued unavailability of key personnel and contractual items that needed urgent attention. Various ad hoc meetings with key stakeholders took place during this time. The Contractor is behind programme. A revised recovery plan, programme, and cashflow is required.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
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SCM 38OF 22/23	SMEC South Africa (Pty) Ltd	Rate Based	Compile GRAP compliant fixed assets register unbundling of infrastructure assets conditional assessment and valuation of assets	YES	New contract	New contract	N/A	Asset verification	Asset verification	New contract	Awaiting the final report from the service provider and assessment from Asset management for 24/25 financial year.
SC-M61OF22/23	High End General and Construction	21 526 194,79	Construction of approximately 2.5KM of DN160 Sewer Pipeline & Rehabilitation	NO	New contract	New contract	N/A	Construction of approximately 2.5KM of DN160 Sewer Pipeline & Rehabilitation	Construction of approximately 2.5KM of DN160 Sewer Pipeline & Rehabilitation	4	Awaiting the close-out report once available.
SC-M62OF22/23	Akwande Civils Cc	27 866 294,90	APPOINTMENT OF A CONTRACTOR FOR THE CONSTRUCTION OF THE NCWADI BULK WATER PIPELINE AND ASSOCIATED WORKS IN WARD 39, VULINDLELA - PHASE 1	NO	New contract	New contract	N/A	CONSTRUCTION OF THE NCWADI BULK WATER PIPELINE AND ASSOCIATED WORKS IN WARD 39, VULINDLELA - PHASE 1	CONSTRUCTION OF THE NCWADI BULK WATER PIPELINE AND ASSOCIATED WORKS IN WARD 39, VULINDLELA - PHASE 1	4	Progress continuous. No performance issues were noted and reported.
SC-M23OF23/24	Hissco Pty Ltd	1827913,82	SUPPLY, DELIVERY, INSTALLATION AND MAINTENANCE OF A DESKTOP B220 HT EXPLOSIVES AND DRUGS DETECTION DEVICE AT THE PIETERMARITZBURG AIRPORT	YES	Awarded May 2024	Awarded May 2024	N/A	Awarded May 2024	Awarded May 2024	N/A	No orders created since June 2024
E50 of 2022	CIRCUIT BREAKER INDUSTRIES	Rates based	Repairs & Main of High Voltage 33KV Oil Filled & 132KV XLPE Underground Cables	YES	Repairs & Main of High Voltage 33KV Oil Filled & 132KV XLPE Underground Cables	Repairs & Main of High Voltage 33KV Oil Filled & 132KV XLPE Underground Cables	N/A	Repairs & Main of High Voltage 33KV Oil Filled & 132KV XLPE Underground Cables	Repairs & Main of High Voltage 33KV Oil Filled & 132KV XLPE Underground Cables	N/A	No spending to date.
E11OF2023	Lindizwe Scrap metal and Conductors	Rates based	SALE OF ASSORTED SCRAP METAL AND CONDUCTORS	YES	2024 contract	2024 contract	N/A	2024 contract	2024 contract	N/A	No sales received in the month of MAY.
E11OF2023	Aspigon 283 cc t/a Naidoo's General Services	Rates based	SALE OF ASSORTED SCRAP METAL AND CONDUCTORS	YES	2024 contract	2024 contract	N/A	2024 contract	2024 contract	N/A	No sales received in the month of MAY.
E48OF2023	C 2 C TECHNOLOGIES	Rates based	SUPPLY, DELIVERY, MAINTENANCE AND CALIBRATION OF TEST INSTRUMENTS	YES	2023 contract	2023 contract	N/A	SUPPLY, DELIVERY, MAINTENANCE AND CALIBRATION OF TEST INSTRUMENTS	SUPPLY, DELIVERY, MAINTENANCE AND CALIBRATION OF TEST INSTRUMENTS	4	No performance issues received from the user department.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
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E51OF2023	GABRIEL AND MICHAEL	Rates based	Supply and Delivery of Master and Discus Moon Padlocks	YES	2023 contract	2023 contract	N/A	Supply and Delivery of Master and Discus Moon Padlocks	Supply and Delivery of Master and Discus Moon Padlocks	N/A	No invoiced orders to date.
SC-M53of22/23	GRAIN HILLS AGRI	Rates based	Implementation of Msunduzi Municipal Employment Initiative to Support SMME	NO	2023 contract	2023 contract	N/A	Implementation of Msunduzi Municipal Employment Initiative to Support SMME	Implementation of Msunduzi Municipal Employment Initiative to Support SMME	4	Contract expired. Awaiting the final report from user department.
SC-M56of22/23	INKHANYETI SOLUTIONS	Rates based	SUPPLY AND DELIVERY OF DESKTOPS LAPTOPS AND COMPUTER PERIPHERALS	YES	2024 contract	2024 contract	N/A	SUPPLY AND DELIVERY OF DESKTOPS LAPTOPS AND COMPUTER PERIPHERALS	SUPPLY AND DELIVERY OF DESKTOPS LAPTOPS AND COMPUTER PERIPHERALS	4	No performance issues reported to SCM.
SCM 1 OF 24/25	SIVEST SA (Pty) Ltd	R2 445 187,50	PREPARATION OF A PRE-FEASIBILITY STUDY TOWARDS THE DEVELOPMENT OF A PILOT WASTE-TO-ENERGY PLANT WITHIN THE NEW ENGLAND ROAD LANDFILL SITE	YES	2024 contract	2024 contract	N/A	PREPARATION OF A PRE-FEASIBILITY STUDY TOWARDS THE DEVELOPMENT OF A PILOT WASTE-TO-ENERGY PLANT WITHIN THE NEW ENGLAND ROAD LANDFILL SITE	PREPARATION OF A PRE-FEASIBILITY STUDY TOWARDS THE DEVELOPMENT OF A PILOT WASTE-TO-ENERGY PLANT WITHIN THE NEW ENGLAND ROAD LANDFILL SITE	New contract	No issues reported to SCM.
SS 52 OF 2024	Duzi Electrical Contractors	Rates based	INSTALLATION, MAINTENANCE AND REFURBISHMENT TO STANDBY GENERATORS FOR MSUNDUZI MUNICIPAL BUILDINGS	YES	2024 contract	2024 contract	N/A	2024 contract	2024 contract	N/A	No performance issues reported to SCM in the month of MAY.
SS 52 OF 2024	Stonyhill Investments Pty Ltd	Rates based	INSTALLATION, MAINTENANCE AND REFURBISHMENT TO STANDBY GENERATORS FOR MSUNDUZI MUNICIPAL BUILDINGS	YES	2024 contract	2024 contract	N/A	2024 contract	2024 contract	N/A	No performance issues reported to SCM.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
E37 OF 2024	Nondela Projects	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRA-STRUCTURE: SUBSTA-TIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOM-ER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. No project allocated in month of June.
E37 OF 2024	Biytech CC	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRA-STRUCTURE: SUBSTA-TIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOM-ER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. No project allocated in month of June.
E37 OF 2024	Zizamele Elec-trical	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRA-STRUCTURE: SUBSTA-TIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOM-ER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	Allocation of work completed for the electrification of Mpumuza, Phayiphini and Sweetwaters. Progress expected monthly.
E37 OF 2024	ARC ELECTRI-CAL	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRA-STRUCTURE: SUBSTA-TIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOM-ER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. Contract awarded 10 March 2025.
E37 OF 2024	Secrete Steps Trading(pty)ltd	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRA-STRUCTURE: SUBSTA-TIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOM-ER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. Contract awarded 10 March 2025.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
E37 OF 2024	LONDACORP TRADING	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRA-STRUCTURE: SUBSTA-TIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOM-ER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	Allocation of work completed for the electrification of Mpumuza, Phayiphini and Sweetwaters.
E37 OF 2024	Mzungezwa Projects	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRA-STRUCTURE: SUBSTA-TIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOM-ER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. Contract awarded 10 March 2025.
E37 OF 2024	Stonyhill Invest-ments Pty Ltd	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRA-STRUCTURE: SUBSTA-TIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOM-ER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. Contract awarded 10 March 2025.
E37 OF 2024	Atam Electrical CC	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRA-STRUCTURE: SUBSTA-TIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOM-ER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. Contract awarded 10 March 2025.
E37 OF 2024	City Energisers PTY LTD	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRA-STRUCTURE: SUBSTA-TIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOM-ER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	Awaiting signa-ture of SLA. Email notification sent out to contractor for signature.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
E37 OF 2024	NOTHANI ENGINEERING	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRASTRUCTURE: SUBSTATIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOMER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. Contract awarded 10 March 2025.
E37 OF 2024	Thando's electrical	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRASTRUCTURE: SUBSTATIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOMER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. Contract awarded 10 March 2025.
E37 OF 2024	Lakhandiswa Trading Pty Ltd	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRASTRUCTURE: SUBSTATIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOMER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. Contract awarded 10 March 2025.
E37 OF 2024	Sibusisiwe Contractor	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRASTRUCTURE: SUBSTATIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOMER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. Contract awarded 10 March 2025.
E37 OF 2024	Eudemonia Electrical Projects CC	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRASTRUCTURE: SUBSTATIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOMER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. Contract awarded 10 March 2025.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
E37 OF 2024	Rock Powerline Electrical CC	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRA-STRUCTURE: SUBSTA-TIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOM-ER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. Contract awarded 10 March 2025.
E37 OF 2024	Duzi Electrical Contractors	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRA-STRUCTURE: SUBSTA-TIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOM-ER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	SLA signed and finalised. Contract awarded 10 March 2025.
E37 OF 2024	Lenado Projects	Rates based	INSTALLATION, MAINTENANCE AND REPAIRSS OF MEDIUM AND LOW VOLTAGE ELECTRICAL INFRA-STRUCTURE: SUBSTA-TIONS, OVERHEAD, UNDERGROUND MAINS AND CUSTOM-ER SERVICES	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	In the process of finalising the SLA.
SCM 18 OF 24/25	HTB Consulting cc	Rate Based	APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO REN-DER INTERNAL AUDIT AND OTHER RELATD PROFESSIOANL SERVICES AND ASSIST WITH THE PROVISION OF SUCH SERVICES TO THE INTERNAL AUDIY UNIT AS PER INTERNAL AUDIY THREE YEAR ROLLING AND ANNUAL AUDIT PLANS AND AD HOC CONSULTING ACTIV-ITIES IN MSUNDUZI MUNICIPALITY AND ITS ENTETIES AS AND WHEN REQUIRED	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	Accepted the nego-tiated rates. In the process of finalising the SLA.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
SCM 18 OF 24/25	Isiqu Accountants and Auditors	Rate Based	APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO RENDER INTERNAL AUDIT AND OTHER RELATD PROFESSIOANL SERVICES AND ASSIST WITH THE PROVISION OF SUCH SERVICES TO THE INTERNAL AUDIY UNIT AS PER INTERNAL AUDIY THREE YEAR ROLLING AND ANNUAL AUDIT PLANS AND AD HOC CONSULTING ACTIVITIES IN MSUNDUZI MUNICIPALITY AND ITS ENTETIES AS AND WHEN REQUIRED	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	Accepted the negotiated rates. In the process of finalising the SLA.
SCM 18 OF 24/25	Morar Incorporated	Rate Based	APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO RENDER INTERNAL AUDIT AND OTHER RELATD PROFESSIOANL SERVICES AND ASSIST WITH THE PROVISION OF SUCH SERVICES TO THE INTERNAL AUDIY UNIT AS PER INTERNAL AUDIY THREE YEAR ROLLING AND ANNUAL AUDIT PLANS AND AD HOC CONSULTING ACTIVITIES IN MSUNDUZI MUNICIPALITY AND ITS ENTETIES AS AND WHEN REQUIRED	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	Accepted the negotiated rates. In the process of finalising the SLA.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
SCM 18 OF 24/25	Ubuntu Business Advisory	Rate Based	APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO RENDER INTERNAL AUDIT AND OTHER RELATD PROFESSIOANL SERVICES AND ASSIST WITH THE PROVISION OF SUCH SERVICES TO THE INTERNAL AUDIY UNIT AS PER INTERNAL AUDIY THREE YEAR ROLLING AND ANNUAL AUDIT PLANS AND AD HOC CONSULTING ACTIVITIES IN MSUNDUZI MUNICIPALITY AND ITS ENTETIES AS AND WHEN REQUIRED	YES	2025 contract	2025 contract	N/A	2025 contract	2025 contract	N/A	Accepted the negotiated rates. In the process of finalising the SLA.
SCM 35 OF 24/25	Amahle and Wamke Trading cc	1149500	IMPLEMENTATION OF LOCAL ECONOMIC DEVELOPMENT STRATEGY TO SUPPORT SMALL, MEDIUM AND MICRO ENTERPRISES AND COOPERATIVES	NO	2025 contract	2025 contract	N/A	2025 contract	N/A	New contract	SLA finalised, quotations received and in process of order creating. No issues reported to date.
SC-M10OF22/23	ITS Engineers	R11 605 000,00	Review of Integrated Public Transport Network (IPTN) OPERATIONAL PLAN	YES	N/A	N/A	N/A	Review of Integrated Public Transport Network (IPTN) OPERATIONAL PLAN	Service provided as per terms and conditions on the contract	4	Terminated
SC-M10OF22/23	Makhaotse Narasimulu And	R4 100 524,72	CANALISATION OF STREAMS/BANK PROTECTION IN ZONE 14 DECCAN TO MOTALA ROAD	YES	N/A	N/A	N/A	CANALISATION OF STREAMS/ BANK PROTECTION IN ZONE 14 DECCAN TO MOTALA ROAD	Service provided as per terms and conditions on the contract	4	The service providers performance is satisfactory
6/ S36OF23.24	Mark Webber t/a The Clockmaker	R174 000,00	Servicing and Maintenance of The City Hall Clock	NO	N/A	N/A	N/A	Servicing and Maintenance of The City Hall Clock	Service provided as per terms and conditions on the contract	4	The service providers performance is satisfactory
SC-M27OF22/23	ZIMELE ERP IT SERVICES	Rate Based	PROVISION OF SAP ERP TRAINING AND CERTIFICATION FOR MSUNDUZI MUNICIPALITY EMPLOYEES	YES	N/A	N/A	N/A	PROVISION OF SAP ERP TRAINING AND CERTIFICATION FOR MSUNDUZI MUNICIPALITY EMPLOYEES	Service provided as per terms and conditions on the contract	4	The service providers performance is satisfactory

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
SC-M10OF22/23	Vumesa Pty Ltd	R2 887 541,61	PROFESSIONAL ENGINEERING CONSULTANT FOR UPGRADE OF GRAVEL ROAD IN VULINDLELA WARD 1 (KHUMALO ROAD	YES	N/A	N/A	N/A	PROFESSIONAL ENGINEERING CONSULTANT FOR UPGRADE OF GRAVEL ROAD IN VULINDLELA WARD 1 (KHUMALO ROAD	Service provided as per terms and conditions on the contract	4	The service providers performance is satisfactory
15/ S36of22/23	Cyberfox	Rate Based	Supply, Delivery, Installation & Commissioning of Building Plan Management	YES	N/A	N/A	N/A	Supply, Delivery, Installation & Commissioning of Building Plan Management	Service provided as per terms and conditions on the contract	4	The service providers performance is satisfactory
12/ S36OF22/23	DOBLE ENGINEERING AFRICA	Rate Based	Provision of support services on all Doble Instruments	YES	N/A	N/A	N/A	Provision of support services on all Doble Instruments	Service provided as per terms and conditions on the contract	4	The service providers performance is satisfactory
1/S36 OF 23/24	Opto Gauteng	Rate Based	The New Windridge Billing System at the Landfill Site	YES	N/A	N/A	N/A	The New win bridge Billing System at the Landfill Site	Service provided as per terms and conditions on the contract	4	The service providers performance is satisfactory
SC-M31OF21/22	ZIMELE ERP IT SERVICES	54 605 760,00	Provision of SAP Support, Maintenance Services and System Enhancements	YES	N/A	N/A	N/A	Provision of SAP Support, Maintenance Services and System Enhancements	Service provided as per terms and conditions on the contract	4	The service providers performance is satisfactory
SS 55 of 2024	Amabomvu Civils	8 695 400,00	patch work of roads located in Greater Edendale	YES	N/A	N/A	N/A	patch work of roads located in Greater Edendale	patch work of roads located in Greater Edendale as per program	3	contractor is busy with layer works
SS 55 of 2024	HUBOO (Pty) Ltd	8 695 400,00	patchwork of roads located in Northern Areas	YES	N/A	N/A	N/A	patchwork of roads located in Northern Areas	patchwork of roads located in Northern Areas as per program	3	contractor is busy with layer works
SS 55 of 2024	Chumisanani Project Management	13 040 400,00	patchwork of roads located in CBD Areas	YES	N/A	N/A	N/A	patchwork of roads located in CBD Areas	patchwork of roads located in CBD Areas as per program	3	contractor is busy with layer works
SCM3of19/20	Olympus Enterprise Pty Ltd	R1 000 000,00	Repairs to accident damaged vehicles	YES	Repairs to accident damaged vehicles	Repairs to accident damaged vehicles	N/A	Repairs to accident damaged vehicles	N/A	N/A	contracts expired
SS80 of 2021	Kushj Traders CC	R3 000 000,00	Supply and Delivery of Stationery Tools, Equipment, cleaning Chemicals	YES	Supply and Delivery of Stationery Tools, Equipment, cleaning Chemicals	Supply and Delivery of Stationery Tools, Equipment, cleaning Chemicals	1	Supply and Delivery of Stationery Tools, Equipment, cleaning Chemicals	N/A	2	contract expired

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
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SCM 21 OF 22/23	Gabhuza 3 trading (Pty)Ltd	R17 153 242.05	Sweetwaters bulk infrastructure - installation of low and medium voltage cable between crossways primary substation and proposed new substation located at Sweetwaters	YES	Sweetwaters bulk infrastructure - installation of low and medium voltage cable between crossways primary substation and proposed new substation located at Sweetwaters	Sweetwaters bulk infrastructure - installation of low and medium voltage cable between crossways primary substation and proposed new substation located at Sweetwaters	N/A	Sweetwaters bulk infrastructure - installation of low and medium voltage cable between crossways primary substation and proposed new substation located at Sweetwaters	N/A	N/A	project completed
SCM 22 OF 22/23	Gabhuza 3 trading (Pty)Ltd	R21 561 905,36	Installation of medium voltage cables between pine primary substation Mayors walk/exchange, Zwartkop/bridge, Morcom/purification and proposed new substation located at Mpumuza,Sweetwaters	YES	Installation of medium voltage cables between pine primary substation Mayors walk/ exchange, Zwart Kop/bridge, Morcom/purification and proposed new substation located at Mpumuza,Sweetwaters	Installation of medium voltage cables between pine primary substation Mayors walk/exchnge,Zwartkop/ bridge, Morcom/ purification and proposed new substation located at Mpumuza,Sweetwaters	N/A	Installation of medium voltage cables between pine primary substation Mayors walk/ exchange, Zwart Kop/ bridge, Morcom/ purification and proposed new substation located at Mpumuza,Sweetwaters	Achieved	4	project completed
SCM 9 OF 22/23	Pro secure	Rates Based	Supplier , installation and maintenance of Impro access control, biometrics system	YES	Supplier , installation and maintenance of Impro access control, biometrics system	Supplier , installation and maintenance of Impro access control, biometrics system	N/A	Supplier , installation and maintenance of Impro access control, biometrics system	N/A	1	No allocation has been Reported
SCM 58 OF 22/23	Mills Fitchet Africa	Rates Based	Verification of standing Timber Compartments for Msunduzi Municipality	YES	Verification of standing Timber Compartments for Msunduzi Municipality	Verification of standing Timber Compartments for Msunduzi Municipality	N/A	Verification of standing Timber Compartments for Msunduzi Municipality	N/A	1	No allocation has been Reported
SCM 24 OF 22/23	HSG Attorneys Incorporated	Rates Based	Appointment of a dedicated panel on supply chain management incorporating a multidisciplinary team to execute land acquisition ,land legal and associated work in respect of the Edendale private land initiative	YES	Appointment of a dedicated panel on supply chain management incorporating a multidisciplinary team to execute land acquisition ,land legal and associated work in respect of the Edendale private land initiative	Appointment of a dedicated panel on supply chain management incorporating a multidisciplinary team to execute land acquisition ,land legal and associated work in respect of the Edendale private land initiative	N/A	Appointment of a dedicated panel on supply chain management incorporating a multidisciplinary team to execute land acquisition ,land legal and associated work in respect of the Edendale private land initiative	N/A	1	No allocation has been Reported

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
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SCM 52 OF 22/23	NCM Engineering	Rates Based	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	YES	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	1	project completed
SCM 52 OF 22/23	Umngazi Group	Rates Based	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	YES	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	4	project completed
SCM 52 OF 22/23	Hambagashle Construction	Rates Based	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	YES	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	4	project completed
SCM 52 OF 22/23	Mthombo Awushi	Rates Based	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	YES	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	4	project completed

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
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SCM 52 OF 22/23	Kwaj investment	Rates Based	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	YES	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	Appointment of service providers from the panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	4	project completed
SCM 5 OF 23/24	Matthew and Son Plant Hire t/a Mattew Group	Rates Based	Appointment of A supplementary panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	YES	Appointment of A supplementary panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	Appointment of A supplementary panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	Appointment of A supplementary panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	4	project completed
SCM 5 OF 23/24	Sihlahlasiyahluma construction	Rates Based	Appointment of A supplementary panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	YES	Appointment of A supplementary panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	Appointment of A supplementary panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	Appointment of A supplementary panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	4	project completed
SCM 5 OF 23/24	Indayi Civils	Rates Based	Appointment of A supplementary panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	YES	Appointment of A supplementary panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	Appointment of A supplementary panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	Appointment of A supplementary panel for the construction of approximately 2300 VIP toilets within wards 1-41 PMB (CIDB Grade 2CE To 5CE)	N/A	4	project completed
SCM 58 OF 22/23	DDP Valuations	R46 000	Verification of standing Timber Compartments for Msunduzi Municipality	YES	Verification of standing Timber Compartments for Msunduzi Municipality	Verification of standing Timber Compartments for Msunduzi Municipality	N/A	Verification of standing Timber Compartments for Msunduzi Municipality	Project on-going	4	project on going no complaints reported
SCM 58 OF 22/23	Mytime property value	Rates Based	Verification of standing Timber Compartments for Msunduzi Municipality	YES	Verification of standing Timber Compartments for Msunduzi Municipality	Verification of standing Timber Compartments for Msunduzi Municipality	N/A	Verification of standing Timber Compartments for Msunduzi Municipality	Achieved	5	project completed

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
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SCM 9 OF 24/25	Mthombo Awushi	Rates Based	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	YES	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	N/A	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Project on-going	3	project on going no complaints reported
SCM 9 OF 24/25	Mthombo Awushi Contractors JV	Rates Based	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	YES	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	N/A	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Project on-going	3	project on going no complaints reported
SCM 9 OF 24/25	Ikhuze Projects (Pty)Ltd	Rates Based	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	YES	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	N/A	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Project on-going	3	project on going no complaints reported
SCM 9 OF 24/25	Mthuthukiswa Construction (Pty) Ltd	Rates Based	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	YES	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	N/A	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Project on-going	3	project on going no complaints reported

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
SCM 9 OF 24/25	Deezlo Trading cc	Rates Based	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	YES	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	N/A	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Project on-going	3	project on going no complaints reported
SCM 9 OF 24/25	Tauris Garden Trading 500 (Pty) Ltd	Rates Based	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	YES	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	N/A	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Project on-going	3	project on going no complaints reported
SCM 9 OF 24/25	Concrete Walls/ National Breake Lift JV	Rates Based	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	YES	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	N/A	Appointment of services providers on an open tender process for the supply and construction of approximately 6000 VIP toilets within wards 1-41 PMB (CIDB Grade 6ce or 6 GB)	Project on-going	3	project on going no complaints reported
SCM 58 OF 22/23	DDP Valuations	R15 000	Verification of standing Timber Compartments for Msunduzi Municipality	YES	Verification of standing Timber Compartments for Msunduzi Municipality	Verification of standing Timber Compartments for Msunduzi Municipality	N/A	Verification of standing Timber Compartments for Msunduzi Municipality	Project complete	4	Project complete

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
SS 60 OF 2022	Shemuntu and Son (Pty)Ltd	R298 000	Hire of high-pressure jetting machine: Vactor machine or similar machine: bucket and winch machine :root cutter and cctv camera for surveying sewer pipes	YES	Hire of high-pressure jetting machine: Vactor machine or similar machine: bucket and winch machine :root cutter and cctv camera for surveying sewer pipes	Hire of high-pressure jetting machine: Vactor machine or similar machine: bucket and winch machine :root cutter and cctv camera for surveying sewer pipes	N/A	Hire of high-pressure jetting machine: Vactor machine or similar machine: bucket and winch machine :root cutter and cctv camera for surveying sewer pipes	N/A	4	project on going no complaints reported
scm 43 of 21/22	Ddp Valuations	R6 000	Verification of standing Timber Compartments for Msunduzi Municipality	YES	Verification of standing Timber Compartments for Msunduzi Municipality	Verification of standing Timber Compartments for Msunduzi Municipality	N/A	Verification of standing Timber Compartments for Msunduzi Municipality	Project on-going	4	project on going no complaints reported
scm 43 of 21/22	Mytime property value	R172 610.00	Verification of standing Timber Compartments for Msunduzi Municipality	YES	Verification of standing Timber Compartments for Msunduzi Municipality	Verification of standing Timber Compartments for Msunduzi Municipality	N/A	Verification of standing Timber Compartments for Msunduzi Municipality	Project on-going	5	Project on-going
E33 OF 2020	ON POINT ON TIME SOLUTIONS	R5 100 000,00	Maintenance, repairs and replacement of vandalised Transmission towers	YES	Maintenance, repairs and replacement of vandalised Transmission towers	Achieved	N/A	Maintenance, repairs and replacement of vandalised Transmission towers	Achieved	4	The contractor has successfully completed the project.
E5 OF 2021	State way Switchboards (Pty) Ltd	R300 000,00	State way Switchboards (Pty) Ltd	YES	State way Switchboards (Pty) Ltd	Achieved	N/A	State way Switchboards (Pty) Ltd	Achieved	4	·The performance of a contractor meets all the contractual requirements of the contract for the project.
SCM8of24/25	GUBHUZA 3 TRADING	R27 823 646,20	Construction of New Substation at Beacon Hill & Install Medium Voltage Adelaar	NO	Construction of New Substation at Beacon Hill & Install Medium Voltage Adelaar	N/A	N/A	Construction of New Substation at Beacon Hill & Install Medium Voltage Adelaar	Achieved	4	The Contractor Commenced on Site on the 1st of April and Physical progress on Site is at 44% complete. Site establishment is 100% Complete. Expenditure is 7%.The performance of the contractor meet all the requirements of the Contract.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
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SC-M19of24/25	Rock Powerline Electrical CC	R14 244 446,69	Supply, Install &Commission of Medium Volt 11KV Switchboard: Crossways Primary Sub	NO	Supply, Install& Commission of Medium Volt 11KV Switchboard: Crossways Primary Sub	N/A	N/A	Supply, Install& Commission of Medium Volt 11KV Switchboard: Crossways Primary Sub	Achieved	4	The Contractor Commenced on Site on the 1st of April 2025 and Physical progress on Site is at 19% complete. Site establishment is 100% Complete. Expenditure is 13%. The performance of the contractor meet all the requirements of the Contract.
SC-M12of24/25	Rock Powerline Electrical CC	R5 597 502,59	Install of New Medium Voltage Cables from Mkondeni to Portland/ Bristol Sub	NO	Install of New Medium Voltage Cables from Mkondeni to Portland/Bristol Sub	N/A	N/A	Install of New Medium Voltage Cables from Mkondeni to Portland/Bristol Sub	Achieved	4	The Contractor Commenced on Site on the 1st of April 2025 and Physical progress on Site is at 35% complete. Site establishment is 100% Complete. Expenditure is 5%.The performance of the contractor meet all the requirements of the Contract.
SC-M41OF21/22	Hamsa Consulting Engineer Cc	R347 360,00	APPOINTMENT OF A CONTRACTOR FOR SERVICEPROVIDER FOR ENEGY CONSUMPTION AUDIT	NO	APPOINTMENT OF A CONTRACTOR FOR SERVICEPROVIDER FOR ENEGY CONSUMPTION AUDIT	N/A	N/A	APPOINTMENT OF A CONTRACTOR FOR SERVICEPROVIDER FOR ENEGY CONSUMPTION AUDIT	Achieved	4	The Consultant has commenced with the Audit but there are building plans that are still outstanding for Caluza sport centre.
SS6 OF 2023 – SECTION 2	SEBATA CREATIVE CONSULTING	R8 881 200,00	Cleaning of municipal Offices	YES	N/A	N/A	N/A	Provision of cleaning services as per specification	Cleaning is provided as per the specification	4	The services provided are satisfactory. No complaints have been received.
SS51 OF 2023	Ndlubu Contractors and Projects cc	Rates based	Electrical Maintenance and Refurb to all Municipal Facilities	YES	N/A	N/A	N/A	Electrical Maintenance and Refurb to all Municipal Facilities	Electrical Maintenance and Refurb to all Municipal Facilities	4	The Service Provider has been allocated work.
SS51 OF 2023	SBS Electrical (Pty) Ltd	Rates based	Electrical Maintenance and Refurb to all Municipal Facilities	YES	N/A	N/A	N/A	Electrical Maintenance and Refurb to all Municipal Facilities	Electrical Maintenance and Refurb to all Municipal Facilities	4	The service provider has completed the required services successfully

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
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SS51 OF 2023	Errol Forby Electrical and Construction cc	Rates based	Electrical Maintenance and Refurb to all Municipal Facilities	YES	N/A	N/A	N/A	Electrical Maintenance and Refurb to all Municipal Facilities	Electrical Maintenance and Refurb to all Municipal Facilities	4	The Service Provider has been allocated work.
SS51 OF 2023	Thando's Electrical (Pty) Ltd	Rates based	Electrical Maintenance and Refurb to all Municipal Facilities	YES	N/A	N/A	N/A	Electrical Maintenance and Refurb to all Municipal Facilities	Electrical Maintenance and Refurb to all Municipal Facilities	4	The Service Provider has been allocated work.
SS51 OF 2023	LN Force (Pty) Ltd	Rates based	Electrical Maintenance and Refurb to all Municipal Facilities	YES	N/A	N/A	N/A	Electrical Maintenance and Refurb to all Municipal Facilities	Electrical Maintenance and Refurb to all Municipal Facilities	4	The Service Provider has been allocated work.
SS51 OF 2023	Capital Power Projects (Pty) Ltd	Rates based	Electrical Maintenance and Refurb to all Municipal Facilities	YES	N/A	N/A	N/A	Electrical Maintenance and Refurb to all Municipal Facilities	No allocation on panel	N/A	No allocation on panel
SS51 OF 2023	SURYALITE ELECTRICAL	Rates based	Electrical Maintenance and Refurb to all Municipal Facilities	YES	N/A	N/A	N/A	Electrical Maintenance and Refurb to all Municipal Facilities	No allocation on panel	N/A	No allocation on panel
SS6 OF 2024 SECTION 6	SEBATA CREATIVE CONSULTING	R3 190 099,20	Cleaning Services and Ad-hoc Mkondeni, Markert, Tourism & Airport	YES	N/A	N/A	N/A	Provision of cleaning services as per specification	The Service Provider is on site	4	Cleaning service conducted is satisfactory
E11 OF 2023	LINDIZWE SCRAP METALS (PTY) Ltd	R1,00	Sale of Assorted Srap Metal & Conductors	YES	N/A	N/A	N/A	Collect and sale assorted scrap metal & conductors as per condition of contract	assorted scrap metal & conductors are sold as per condition of contract	N/A	No orders have been issued as yet
E11 OF 2023	ASPIGON 283 cc T/A NAIDOO'S GENERAL SERVICES	R1,00	Sale of Assorted Srap Metal & Conductors	YES	N/A	N/A	N/A	Collect and sale assorted scrap metal & conductors as per condition of contract	assorted scrap metal & conductors are sold as per condition of contract	N/A	No orders have been issued as yet
SC-M41of20/21	Panel of Service Providers	R1,00	Maintenance Project (CIDB Grade 1CE-4CE) Sec 1 & (CIDB Grade 5CE-9CE) Sec 2	YES	Maintenance Project (CIDB Grade 1CE-4CE) Sec 1 & (CIDB Grade 5CE-9CE) Sec 2	Panel not used	N/A	Panel not used	Panel not used	N/A	Panel not used

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
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SC-M28of21/22	Eskilz College Pty Ltd	68 120,00	Training to 26 Candidates for First Aid Level 3	YES	N/A	N/A	N/A	To provide training services for First Aid Level 3	Training service is conducted as per the requirements of the unit	4	Training service is conducted as per the requirements of the unit
SC-M28of21/22	Better Future Training CC	51 600,00	Training to 60 Candidates for First Aid Level 1	YES	N/A	N/A	N/A	To provide training services for First Aid Level 1	Training service is conducted as per the requirements of the unit	4	Training service is conducted as per the requirements of the unit
SC-M19OF22/23	PIONEER BUSINESS CONSULTING	409 080,00	Training for 24 Learners for Generic Management (Disaster Risk Management)	YES	N/A	N/A	N/A	Training for 24 Learners for Generic Management (Disaster Risk Management)	Training is provided as per the requirements	4	Training service is conducted as per the requirements of the unit
SCM 2 OF 23/24	Basfour 170 cc t/a Fairfield Developments	R1,00	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	No allocation	N/A	No allocation
SCM 2 OF 23/24	Development Partners 101 cc	R1,00	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	No allocation	N/A	No allocation

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
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SCM 2 OF 23/24	Groundwork Project Management Consultants cc	R1,00	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	No allocation	N/A	No allocation
SCM 2 OF 23/24	Ikhaya Joint Venture	R1,00	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	No allocation	N/A	No allocation
SCM 2 OF 23/24	Kitso and Bhelane JV	R1,00	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	No allocation	N/A	No allocation

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
SCM 2 OF 23/24	KMSD Joint Venture	R1,00	APPOINTMENT OF A SERVICE PROVIDER, FROM THE MSUNDUZI MUNICIPALITY HUMAN SETTLEMENTS PANEL OF IMPLEMENTING AGENTS (SCM 2 OF 23/24) TO UNDERTAKE DETAILED PLANNING AND CONSTRUCTION OF 3000 UNITS FOR THE HUMAN SETTLEMENTS EDENDALE PRIORITY 4 PHASE 1 INFORMAL SETTLEMENT UPGRADE HOUSING PROJECT	YES	N/A	N/A	N/A	TO UNDERTAKE DETAILED PLANNING AND CONSTRUCTION OF 3000 UNITS FOR THE HUMAN SETTLEMENTS EDENDALE PRIORITY 4 PHASE 1 INFORMAL SETTLEMENT UPGRADE HOUSING PROJECT	SLA Stage	4	The project is a turnkey project for planning and implementation. The IA was appointed for period of 36 months contract effective from 17 January 2025 to 17 January 2028. The Pre-feasibility studies have been completed. The project is at detailed planning the EIA process is underway.
SCM 2 OF 23/24	Lishememi Trading and Projects	R1,00	APPOINTMENT OF A SERVICE PROVIDER, FROM THE MSUNDUZI MUNICIPALITY HUMAN SETTLEMENTS PANEL (SCM 2 OF 23/24) TO UNDERTAKE DETAILED PLANNING AND CONSTRUCTION OF 3600 MIXED RESIDENTIAL UNITS (MEDIUM TO HIGH COST RESIDENTIAL AND SERVICED SITES) AND INFRUSTRUCTURE SERVICES FOR LAMONTS VALE INTERGRATED RESIDENTIAL DEVELOPMENT PROJECT	YES	N/A	N/A	N/A	TO UNDERTAKE DETAILED PLANNING AND CONSTRUCTION OF 3600 MIXED RESIDENTIAL UNITS (MEDIUM TO HIGH COST RESIDENTIAL AND SERVICED SITES) AND INFRUSTRUCTURE SERVICES FOR LAMONTS VALE INTERGRATED RESIDENTIAL DEVELOPMENT PROJECT	SLA Stage	4	The IA has been appointed however there are currently land legal issues on the land parcel identified for the proposed project. There is no project in place. Project is on hold until land legal matter is resolved.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
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SCM 2 OF 23/24	Mancinza Civil Contractors and Road Maintenance	R1,00	APPOINTMENT OF AN IMPLEMENTING AGENT FOR THE DETAILED PLANNING AND CONSTRUCTION OF 192 (INCLUDING 23 IRPTN RELOCATION UNITS) UNITS FOR THE GOMORA RELOCATION HUMAN SETTLEMENTS HOUSING PROJECT FROM THE SCM 2 OF 23/24 PANEL	YES	N/A	N/A	N/A	TO UNDERTAKE THE DETAILED PLANNING AND CONSTRUCTION OF 192 (INCLUDING 23 IRPTN RELOCATION UNITS) UNITS FOR THE GOMORA RELOCATION HUMAN SETTLEMENTS HOUSING PROJECT FROM THE SCM 2 OF 23/24 PANEL	Achieved	4	The project is a turnkey project for planning and implementation. The IA was appointed for period of 36 months contract effective from 17 January 2025 to 17 January 2028. The Pre-feasibility studies have been completed. The project is at detailed planning stage.
SCM 37 OF 24/25	Maseko Hlongwa and Associates cc and Sihlahasiya'Hluma Construction Consortium	R 3 349 835,00	APPOINTMENT OF A SERVICE PROVIDER TO UNDERTAKE THE 5 YEAR REVIEW OF THE HUMAN SETTLEMENTS HOUSING SECTOR PLAN	YES	N/A	N/A	N/A	APPOINTMENT OF A SERVICE PROVIDER TO UNDERTAKE THE 5 YEAR REVIEW OF THE HUMAN SETTLEMENTS HOUSING SECTOR PLAN	Achieved	4	The IA has been appointed to prepare a Human Sector plan for 25/26-29/30 Review the contract period is for 24 months commencing on the 14th of April 2025. The project is currently at inception stage.
SCM 38 OF 24/25	Maseko Hlongwa and Associates cc and Sihlahasiya'Hluma Construction Consortium	R 5 479 865,00	APPOINTMENT OF A SERVICE PROVIDER TO UNDERTAKE THE HUMAN SETTLEMENTS INNER-CITY DEVELOPMENT STRATEGY	YES	N/A	N/A	N/A	APPOINTMENT OF A SERVICE PROVIDER TO UNDERTAKE THE HUMAN SETTLEMENTS INNER-CITY DEVELOPMENT STRATEGY	Achieved	4	The IA has been appointed to prepare the Human Settlements Inner-City Development Strategy. The project is currently at inception stage. The contract period is 36 months commencing from 14th of April 2025.

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
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SCM 2 OF 23/24	MN Africa Consulting Engineers/ Group YT JV	R1,00	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	No allocation	N/A	No allocation
SCM 2 OF 23/24	Relevance Trading and Projects (Pty) Ltd	R1,00	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	No allocation	N/A	No allocation
SCM 2 OF 23/24	Stedone Developments (Pty) Ltd	R1,00	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	No allocation	N/A	No allocation

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
SCM 2 OF 23/24	Tash SGT Construction JV	R1,00	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF IMPLEMENTING AGENTS, WHICH WILL INCLUDE BUILT ENVIRONMENT PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES FOR HUMAN SETTLEMENTS PROJECTS	No allocation	N/A	No allocation
SCM 2 OF 23/24	Uhuru Mosegedi Limma JV	R1,00	APPOINTMENT OF AN IMPLEMENTING AGENT FOR THE DETAILED PLANNING AND CONSTRUCTION FOR 6000 UNITS FOR THE SHENSTONE/ AMBLETON HUMAN SETTLEMENT HOUSING PROJECT	YES	N/A	N/A	N/A	TO UNDERTAKE THE DETAILED PLANNING AND CONSTRUCTION FOR 6000 UNITS FOR THE SHENSTONE/ AMBLETON HUMAN SETTLEMENT HOUSING PROJECT	Achieved	4	The project is a turnkey project for planning and implementation. The IA was appointed on the 24th of October 2024 awaiting DOHS tripartite agreement. The Pre-feasibility studies have been completed. The project is at detailed planning the EIA process is underway.
E14 OF 2023	Gubhuza 3 Trading (Pty) Ltd	Rates based	APPOINTMENT OF A PANEL OF SUPPLIERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF STREET LIGHT FITTINGS, HIGH MAST FLOODLIGHT FITTINGS AND SOLAR POWERED STREET LIGHT FITTINGS	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF SUPPLIERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF STREET LIGHT FITTINGS, HIGH MAST FLOODLIGHT FITTINGS AND SOLAR POWERED STREET LIGHT FITTINGS	APPOINTMENT OF A PANEL OF SUPPLIERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF STREET LIGHT FITTINGS, HIGH MAST FLOODLIGHT FITTINGS AND SOLAR POWERED STREET LIGHT FITTINGS	No allocation	No allocation

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
E14 OF 2023	Eco-Solutions Projects Management (Pty) Ltd	Rates based	APPOINTMENT OF A PANEL OF SUPPLIERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF STREET LIGHT FITTINGS, HIGH MAST FLOODLIGHT FITTINGS AND SOLAR POWERED STREET LIGHT FITTINGS	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF SUPPLIERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF STREET LIGHT FITTINGS, HIGH MAST FLOODLIGHT FITTINGS AND SOLAR POWERED STREET LIGHT FITTINGS	APPOINTMENT OF A PANEL OF SUPPLIERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF STREET LIGHT FITTINGS, HIGH MAST FLOODLIGHT FITTINGS AND SOLAR POWERED STREET LIGHT FITTINGS	4	There have been no complaints from the end user
E14 OF 2023	Genlux Lighting a Division of Actom (Pty) Ltd	Rates based	APPOINTMENT OF A PANEL OF SUPPLIERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF STREET LIGHT FITTINGS, HIGH MAST FLOODLIGHT FITTINGS AND SOLAR POWERED STREET LIGHT FITTINGS	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF SUPPLIERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF STREET LIGHT FITTINGS, HIGH MAST FLOODLIGHT FITTINGS AND SOLAR POWERED STREET LIGHT FITTINGS	APPOINTMENT OF A PANEL OF SUPPLIERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF STREET LIGHT FITTINGS, HIGH MAST FLOODLIGHT FITTINGS AND SOLAR POWERED STREET LIGHT FITTINGS	No allocation	No allocation
E25 OF 2023	STONYHILL INVESTMENTS (PTY) LTD	Rates based	APPOINTMENT OF A PANEL OF ELECTRICAL CONTRACTORS FOR THE MAINTENANCE AND REPAIRS TO HIGH, MEDIUM AND LOW VOLTAGE SWITCHGEAR, TRANSFORMERS AND ACCESSORIES	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF ELECTRICAL CONTRACTORS FOR THE MAINTENANCE AND REPAIRS TO HIGH, MEDIUM AND LOW VOLTAGE SWITCHGEAR, TRANSFORMERS AND ACCESSORIES	No allocation	No allocation	No allocation

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
E25 OF 2023	ARC ELECTRICAL (PTY) LTD	Rates based	APPOINTMENT OF A PANEL OF ELECTRICAL CONTRACTORS FOR THE MAINTENANCE AND REPAIRS TO HIGH, MEDIUM AND LOW VOLTAGE SWITCHGEAR, TRANSFORMERS AND ACCESSORIES	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF ELECTRICAL CONTRACTORS FOR THE MAINTENANCE AND REPAIRS TO HIGH, MEDIUM AND LOW VOLTAGE SWITCHGEAR, TRANSFORMERS AND ACCESSORIES	No allocation	No allocation	No allocation
E25 OF 2023	Jocastro Western Cape (Pty) Ltd	Rates based	APPOINTMENT OF A PANEL OF ELECTRICAL CONTRACTORS FOR THE MAINTENANCE AND REPAIRS TO HIGH, MEDIUM AND LOW VOLTAGE SWITCHGEAR, TRANSFORMERS AND ACCESSORIES	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF ELECTRICAL CONTRACTORS FOR THE MAINTENANCE AND REPAIRS TO HIGH, MEDIUM AND LOW VOLTAGE SWITCHGEAR, TRANSFORMERS AND ACCESSORIES	No allocation	No allocation	No allocation
E25 OF 2023	IMBAWULA TECHNICAL SERVICES (PTY) LTD	Rates based	APPOINTMENT OF A PANEL OF ELECTRICAL CONTRACTORS FOR THE MAINTENANCE AND REPAIRS TO HIGH, MEDIUM AND LOW VOLTAGE SWITCHGEAR, TRANSFORMERS AND ACCESSORIES	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF ELECTRICAL CONTRACTORS FOR THE MAINTENANCE AND REPAIRS TO HIGH, MEDIUM AND LOW VOLTAGE SWITCHGEAR, TRANSFORMERS AND ACCESSORIES	No allocation	No allocation	No allocation

ASSESSMENT OF SERVICE PROVIDERS 2024 / 2025 FY											
CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 23/24 FY	ACTUAL 23/24FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	ANNUAL TARGET 24/25 FY	ACTUAL 24/25FY	TARGET MET (1- Not met, 2 - partially met, 3 - Target Met, 4 - Target exceeded, 5 - Target Significantly exceeded)	COMMENT
E25 OF 2023	ROCK POWER-LINE ELECTRI-CAL cc	Rates based	APPOINTMENT OF A PANEL OF ELECTRI-CAL CONTRACTORS FOR THE MAINTE-NANCE AND REPAIRS TO HIGH, MEDIUM AND LOW VOLT-AGE SWITCHGEAR, TRANSFORMERS AND ACCESSORIES	YES	N/A	N/A	N/A	APPOINTMENT OF A PANEL OF ELECTRICAL CONTRAC-TORS FOR THE MAINTENANCE AND REPAIRS TO HIGH, MEDIUM AND LOW VOLTAGE SWITCHGEAR, TRANSFORM-ERS AND AC-CESSORIES	No allocation	No allocation	No allocation

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST

DESIGNATION	DATE OF DISCLOSURE & DECLARATION	SHARES & SE-CURITIES IN ANY COMPANY (YES/ NIL)	MEMBERSHIP OF ANY CLOSED CORPORATION (YES/NIL)	INTERESTS IN ANY TRUST (YES/ NIL)	DIRECTORSHIPS (YES/NIL)	PARTNERSHIPS (YES/NIL)	FINANCIAL INTERESTS IN ANY BUSINESS UNDERTAKING (YES/NIL)	ADDITIONAL INTERESTS			
								EM-PLOYED (YES/NIL)	OWNERSHIP / INTEREST IN PROPER-TIES (YES/ NIL)	PENSION (YES/ NIL)	SUBSIDY / GRANT / SPON-SORSHIPS (YES/ NIL)
DMM CORPORATE SERVICES	02-Jul-24	YES	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
DMM INFRASTRUCTURE SERVICES	02-Jul-24	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
CHIEF FINANCIAL OFFICER	02-Jul-24	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
DMM ELECTRCITY SUPPLY SERVICES	01-May-25	NIL	NIL	NIL	YES	NIL	NIL	NIL	NIL	NIL	NIL
DMM SUSTAINABLE DEVELOPMENT AND CITY ENTERPRISES	30-Oct-24	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

COUNCILLORS FINANCIAL DISCLOSURE

MSUNDUZI MUNICIPALITY COUNCILLOR'S DISCLOSURE & DECLARATION OF INTERESTS													
2024/2025 FINANCIAL YEAR													
SURNAME	NAME	DESIGNATION	DATE OF DISCLOSURE & DECLARATION	SHARES & SECURITIES IN ANY COMPANY (YES/NIL)	MEMBERSHIP OF ANY CLOSED CORPORATION (YES/NIL)	INTERESTS IN ANY TRUST (YES/NIL)	DIREC-TORSHIPS (YES/NIL)	PARTNER-SHIPS (YES/NIL)	FINANCIAL INTERESTS IN ANY BUSINESS UNDER-TAKING (YES/NIL)	ADDITIONAL INTERESTS			
										EMPLOYED (YES/NO)	OWNER-SHIP / INTEREST IN PROP-ERTIES (YES/NIL)	PENSION (YES/NIL)	SUBSIDY / GRANT / SPON-SHORSHIP (YES/NIL)
Phungula	Dumisani Bernard	Councillor	30-Jun-25	YES	NIL	NIL	YES	NIL	NIL	NO	NIL	NIL	NIL
Phungula	Nomathemba	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Phungula	Siphiwe	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Phungula	Victoria Mavie	Councillor	30-Jun-25	YES	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Ram	Roy	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Reddy	Suraya	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Roberts	Douglas Leslie	Councillor	30-Jun-25	YES	NIL	NIL	YES	NIL	NIL	NO	NIL	NIL	NIL
Shezi	Mbongeni Jetro	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	YES	NIL	NIL
Sithole	Philisiwe	Councillor	30-Jun-25	YES	NIL	NIL	YES	NIL	NIL	NO	NIL	NIL	NIL
Sokhela	Ntombizethu Precious	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Soobiah	Rachel	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Strachan	Ross Bryan	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	YES	NIL	NIL
Thebolla	Mzimkhulu Meshack	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	YES	NO	YES	NIL	NIL
Zondi	Thembinkosi	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Zondi	Hamilton Mlungisi	Councillor	30-Jun-25	YES	NIL	NIL	YES	NIL	NIL	NO	NIL	NIL	NIL
Zuma	Bukelani Ephraim	Councillor	30-Jun-25	NIL	NIL	YES	YES	NIL	NIL	NO	YES	NIL	NIL
Zuma	Sanele Russel	Councillor	30-Jun-25	YES	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Zuma	Sbongumusa	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Msimang	Nokuthula	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Msomi	Khulekani	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Mzila	Thembile Precious Memory	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Ndlovu	Mphilisi Instance	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Ndlovu	Nomfundo	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Ndlovu	Sinenhlanhla Love-Joy	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Niemand	Rienus	Councillor	30-Jun-25	NIL	YES	NIL	NIL	NIL	NIL	NO	YES	NIL	NIL
Ngcobo	Zanele Princess	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Ngubane	Mshushisi Aubrey	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Ngubane	Themba Cyril	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Ngubo	Jabulisile Joyce	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	YES	NIL	NIL
Ngubo	Zinhle Regina	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Ngwenya	Vusi Percival	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Nhlabathi	Bongumusa Cyril	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Nkabini	Sinothi Jerome	Councillor	30-Jun-25	YES	YES	NIL	NIL	NIL	NIL	NO	YES	YES	YES
Ntombela	Thandanani Desmond	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Ntombela	Thinasonke Dennis	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	YES
Maphanga	Pretty Nelisiwe	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Masoeu	Nkosinathi Patrick	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Mbanjwa	Nkosinathi Maxwell	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Mbona	Bongani Dumisani	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Middleton	Garth Frederick Wesley	Councillor	30-Jun-25	YES	NIL	NIL	YES	NIL	NIL	YES	YES	NIL	NIL

MSUNDUZI MUNICIPALITY COUNCILLOR'S DISCLOSURE & DECLARATION OF INTERESTS													
2024/2025 FINANCIAL YEAR													
SURNAME	NAME	DESIGNATION	DATE OF DISCLOSURE & DECLARATION	SHARES & SECURITIES IN ANY COMPANY (YES/NIL)	MEMBERSHIP OF ANY CLOSED CORPORATION (YES/NIL)	INTERESTS IN ANY TRUST (YES/NIL)	DIREC-TORSHIPS (YES/NIL)	PARTNER-SHIPS (YES/NIL)	FINANCIAL INTERESTS IN ANY BUSINESS UNDER-TAKING (YES/NIL)	ADDITIONAL INTERESTS			
										EMPLOYED (YES/NO)	OWNER-SHIP / INTEREST IN PROP-ERTIES (YES/NIL)	PENSION (YES/NIL)	SUBSIDY / GRANT / SPON-SHORSHIP (YES/NIL)
Mkhize	Dorcas Sibongile	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	YES
Mkhize	Mbusiswa Henceforth	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Mkhize	Mxolisi Theophilus	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Mkhize	Sbusiso Alfred	Councillor	30-Jun-25	NIL	NIL	NIL	YES	NIL	NIL	NO	NIL	NIL	NIL
Mkhize	Thandiwe	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Mkize	Beatrice Nombuyiselo	Councillor	30-Jun-25	NIL	YES	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Mncube	Nomusa Wendy	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Mncwabe	Stanley Ntuthuko	Councillor	30-Jun-25	YES	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Mncwango	Gladness Sibongile	Councillor	30-Jun-25	NIL	NIL	NIL	NN	NIL	NIL	NO	NIL	NIL	NIL
Mpulo	Sanele Protas	Councillor	30-Jun-25	NIL	NIL	NIL	N	NIL	NIL	NO	NIL	NIL	NIL
Mshengu	Mduduzi Caswell	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Adams	Randall John	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Bhengu	Msawakhe	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Buthelezi	Simphiwe Samuel	Councillor	30-Jun-25	YES	YES	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Cele	Tholakele Nelisiwe	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Chonco	Sibusiso Desmond	Councillor	30-Jun-25	NIL	YES	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Dlamini	Godman Nkosivelile	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Dlamini	Tholakele Ignetia	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Dlamini	Sandile Wellington	Councillor	30-Jun-25	YES	NIL	NIL	NIL	NIL	YES	NO	YES	NIL	NIL
Dlela	Nomalady Eleanor	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	YES	NIL
Edith	Elliott	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	YES	YES	NIL
Kemp	Haroon Daniel	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Lyne	Sandra Patricia	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	YES	NIL	NIL
Madlala	Siphamandla Sydney	Councillor	30-Jun-25	YES	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Madonda	Kwazikwakhe Emmanuel	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Magubane	Zwelinjani Henry	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	YES
Majola	Sibongiseni Jerome	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Majola	Nomagugu Eunice	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL
Makhaye	Skhanyiso Cyril	Councillor	30-Jun-25	NIL	NIL	NIL	NIL	NIL	NIL	NO	NIL	NIL	NIL

APPENDIX K: REVENUE COLLECTION PERFORMANCE

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

ANNEXURE A: MONTHLY PROJECTIONS OF REVENUE BY EACH SOURCE - BUDGET YEAR 2024/2025					
DESCRIPTION	**JUNE 2025 TARGET PROJECTED**	**JUNE 2025 ACTUAL**	**REASON FOR DEVIATION**	**CORRECTIVE MEASURE**	**SOURCE DOCUMENT**
Service charges - Electricity	4 224 358	3 153 677	N/A	N/A	SEC 71
Service charges - Water	1 009 760	891 663	N/A	N/A	SEC 71
Service charges - Waste Water Management	220 725	225 697	N/A	N/A	SEC 71
Service charges - Waste Management	155 391	139 470	N/A	N/A	SEC 71
Sale of Goods and Rendering of Services	42 043		N/A	N/A	SEC 71
Agency services	765	3 014	N/A	N/A	SEC 71
Interest earned from Receivables	230 682	461 529	N/A	N/A	SEC 71
Interest earned from Current and Non-Current Assets	19 135		N/A	N/A	SEC 71
Rental from Fixed Assets	113 962	30 698	N/A	N/A	SEC 71
Licence and permits	2 547	1 932	N/A	N/A	SEC 71
Operational Revenue	204 124	67 950	N/A	N/A	SEC 71
Non-Exchange Revenue			N/A	N/A	SEC 71
Property rates	1 649 352	1 565 969	N/A	N/A	SEC 71
Fines, penalties and forfeits	11 687	19 505	N/A	N/A	SEC 71
Transfer and subsidies - Operational	1 026 395	980 094	N/A	N/A	SEC 71
Interest	59 562	32 221	N/A	N/A	SEC 71
other gains		14 593	N/A	N/A	SEC 71
Total Revenue (excluding capital transfers and contributions)	**8 970 488**	**7 588 011**			

APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

ANNEXURE B: MONTHLY PROJECTION OF REVENUE COLLECTED BY EACH VOTE - BUDGET YEAR 2024/2025					
DESCRIPTION	**JUNE 2025 TARGET PROJECTED**	**JUNE 2025 ACTUAL**	**REASON FOR DEVIATION**	**CORRECTIVE MEASURE**	**SOURCE DOCUMENT**
Revenue by Vote					
City Manager	–	-			SEC 71
City Finance	2 675 603	2 256 090	N/A	N/A	SEC 71
Corporate Services	2 578	2 918	N/A	N/A	SEC 71
Community Services and Social Equity	323 834	243 130	N/A	N/A	SEC 71
Infrastructure Services	2 048 154	2 077 113	N/A	N/A	SEC 71
Sustainable Development and City Enterprises	354 076	220 850	N/A	N/A	SEC 71
Electricity	4 044 169	3 182 142	N/A	N/A	SEC 71
Total Revenue	**9 448 414**	**7 982 242**			

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Grants and Subsidies - Revenue	2022/23	2023/24	2024/25		
	Actual	Actual	Original Budget	Adjustment budget	Actual
NATIONAL GRANTS	**1 051 096 601**	**1 062 690 187**	**1 221 001 000**	**1228 579 633**	**1 236 447 075**
Equitable Share	696 056 000	767 222 000	822 072 000	822 072 000	822 072 000
Energy Efficiency Demand Side Management Grant	-	5 000 000	4 950 000	5 000 000	4 881167
Expanded Public Works Programme	5 228151	4 699 511	2 092 000	2 092 000	2 091 919
Finance Management Grant	1 950 000	1 950 000	1 900 000	1 900 000	1 900 000
Integrated National Electrification Programme	27 379 643	12 218 873	4 971 000	5 026 584	5 026 484
Municipal Disaster Recovery/Response Grant	620 000	8 021 558	-	-	41 710 462
Municipal Infrastructure Grant	226 842 062	211 452 641	231 802 000	233 686 793	197 609 788
Neighbourhood Development Partnership Grant	33 021161	12 973 388	20 000 000	20 000 000	19 967 993
Public Transportation Infrastructure Grant	-	-	50 000 000	50 000 000	4 582 268
Regional Bulk Infrastructure Grant	-	-	-	28 802 256	67 099 030
Water Services Infrastructure Grant	59 999 584	39 152 216	70 000 000	60 000 000	69 505 965
Municipal Systems Improvement Capital	-	-	13 214 000	-	-
PROVINCIAL GRANTS	**73 392 453**	**189 472 448**	**182 317 041**	**255 834 374**	**133 157 868**
Corridor Development	487 435	3 039 104	-	-	-
Eastwood Primary Substation	16 130 468	378 947	-	-	-
Ematsheni	-	-	-	2 117 496	1 149 828
Greater Edendale Development Initiative	26 354 258	79 634 299	500 000	14 139 947	12 133 214
Housing Accreditation	3 248 926	7 151 540	8 700 000	12 543 000	7 978 540
Housing Projects	2 050 695	1 181 354	155 592 136	157 748 051	-
Informal Economy infrastructure Development	66 415	-	-	-	-

Grants and Subsidies - Revenue	2022/23	2023/24	2024/25		
	Actual	Actual	Original Budget	Adjustment budget	Actual
Jika Joe Community Residential Units	5 021543	-	-	-	-
LG Seta Mandatory and Discretionary Grant	167 982	1662 712	-	3 734304	2161693
Library	16 353 333	21273 271	15 659 905	16 800 298	16 077 486
Municipal Employment initiative	-	2 890 001	-	403 301	403 301
Operation Dlulusumilando	-	-	-	-	-
Pietermaritzburg Airport	2 874 671	3 201175	-	673 423	648158
Tatham Art Gallery	439 045	318 246	1865 000	1082112	948 724
Tatham Art Gallery- Art Bank	-	56880	-	-	-
Upgrading Of Informal Settlements	-	68 684 916	-	-	91656 926
Youth Enterprise Park	197 683	-	-	-	-
Municipal Disaster Relief Grant-CAPITAL	-	-	-	46 592 442	-
Total Grant And Subsides	**1 124 489 054**	**1 252 162 635**	**1 403 318 041**	**1 484 414 006**	**1 369 604 944**

COMMENT ON GRANTS, CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The actual figures in the tables above are the amounts that the Municipality utilized on capital and operational projects during the financial years. During 2022/2023 the percentage utilized was 70,71 %, in 2023/2024 the percentage increased to 71,87 % and in 2024/2025 the percentage increased to 82,82 %. In terms of the grants from other sources, the municipality did not receive any grants from other external funders for the last three financial years

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/ RENEWAL PROGRAMMES:

SAP GL ACCOUNT	SAP/WBS NOS	PROJECT DESCRIPTION	FUNDER	ITEM
4600000000	I/504125.014	* I/504125.014 MIG:Z2:UPG GRV RD-EDN-DAMBUZA MJ SWD UPG	MIG	ROAD CONSTRUCTION
4600000000	I/504125.029	* I/504125.029 MIG:Z1:UPGR GRV ROADS-VULINDLELA-WARD 4	MIG	ROAD CONSTRUCTION
4600000000	I/504125.042	* I/504125.042 MIG:Z1:UPGR GRV ROADS-VUL-WARD 1	MIG	ROAD CONSTRUCTION
4600000000	I/504125.043	* I/504125.043 MIG:Z1:UPGR GRV ROADS-VUL-WARD 5	MIG	ROAD CONSTRUCTION
4600000000	I/504125.055	* I/504125.055 MIG:Z1: REHAB OF BALENI ROAD SWEETWATER	MIG	ROAD CONSTRUCTION
4600000000	I/504125.071	* I/504125.071 MIG:Z1: UPGR GRV ROADS MISSION	MIG	ROAD CONSTRUCTION
4600000000	I/504202.009	* I/504202.009 MIG:ZA:ELIM OF CONSERV TANKS:SEWER	MIG	MAINS & SERVICES
4600000000	I/504202.013	* I/504202.013 MIG:Z3:SHENSTONE AMBLETON SANIT SYSTEM	MIG	MAINS & SERVICES
4600000000	I/504202.014	* I/504202.014 MIG:Z2:EDENDALE-SEWER RETICULATION- W16	MIG	MAINS & SERVICES
4600000000	I/504202.025	* I/504202.025 MIG:ZA:DARVIL SEWER OUTFALL	MIG	MAINS & SERVICES
4600000000	I/504787.026	* I/504787.026 MIG:Z5:COPESVILLE RESERVOIR	MIG	MAINS & SERVICES
4600000000	I/504787.030	* I/504787.030 MIG:Z1:NCWADI PHASE 2A	MIG	MAINS & SERVICES
4600000000	I/504787.045	* I/504787.045 MIG:Z1:NCWADI PHASE 1	MIG	MAINS & SERVICES
4600000000	I/403243.010	* I/403243.010 MIG:Z4:WARD 24 COMMUNITY HALL	MIG	BUILDINGS
4600000000	I/403243.011	* I/403243.011 MIG:Z1:WARD 8 COMMUNITY HALL	MIG	BUILDINGS
0	I/403243.013	* I/403243.013 MIG:Z5:MADIBA COMMUNITY HALL	MIG	BUILDINGS
4600000000	I/403243.028	* I/403243.028 MIG:Z1:COMMUNITY HALL WARD 5	MIG	BUILDINGS
4600000000	I/403243.027	* I/403243.027 MIG:Z1:WARD 8 COMMUNITY HALL LANDSKOP	MIG	BUILDINGS
4600000000	I/404478.001	* I/404478.001 MIG:Z2:CONSTROF MKANGALA SPORT FIELD	MIG	BUILDINGS
PMU TOP SLICE OPERATING EXPENDITURE				
	O/504527.B7H.000	* O/504527.B7H.000 MIG:AH:MUNICIPAL RUNNING COST	MIG	
0006000000	A/504527.HZ4.A11	* A/504527.HZ4.A11 MIG:Z4:EXS:NEW:MACHINERY & EQUIPM		
0008000000	A/504527.HZ4.A52	* A/504527.HZ4.A52 MIG:Z4:NEW COMPUTER EQUIPMENT		
4600000000	I/504527.010	* I/504527.010 MIG:AH:PROJECT MANAGEMENT		
0007000000	A/504527.HZ4.A53	* A/504527.HZ4.A53 MIG:Z2:NEW FURNITURE & OFFICE EQUIP		
0005000000	A/504527.HZ4.A06	* A/504527.HZ4.A06 MIG:Z4:NEW COMPUTER SOFTWARE		

APPENDIX N: CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

PROJECT RELATING MUNICIPAL INFRASTRUCTURE GRANT (MIG AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)						
Ward Name (No)	Number	Project Name	Start Date	End Date	Progress 24/25 FY (End of June 2025)	Total Project Value Incl. Vat (R)
Ward 1	1	Rehabilitation of Roads Vulindlela Ward 1(Khumalo Road)	19.11.2024	26.09.2025	45% of 1km Completed	23 370 268,73
	2	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00
Ward 2	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00
Ward 3	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00
Ward 4	1	Rehabilitation of Roads Vulindlela(D1138)	04.12.2022	30.07.2024	100% of 1.3km completed	11 791 162,98
	2	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00

PROJECT RELATING MUNICIPAL INFRASTRUCTURE GRANT (MIG AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)						
Ward Name (No)	Number	Project Name	Start Date	End Date	Progress 24/25 FY (End of June 2025)	Total Project Value Incl. Vat (R)
Ward 5	1	Construction of 300mm dia. X 2.715km long steel pipeline	13.10.2023	23.04.2025	100% completed	44 196 584,00
	2	Rehabilitation of Roads Vulindlela (Makhaye Road)	13.03.2024	11.08.2025	90% of 0.68km completed	14 542 292,80
	3	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00
Ward 6	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00
Ward 7	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00
Ward 8	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00
	2	Construction of Community Hall (Kwa Zondi)	11.06.2025	10.06.2026	Site Establishment	20 519 597,39
	3	Construction of Community Hall (Elandskop)				
Ward 9	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00
Ward 10	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 11	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 12	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 13	1	Shenstone Ambleton Sanitation System	10.06.2025	30.07.2026	Site Establishment	16 526 071,90
	2	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 14	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 15	1	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A
Ward 16	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 17	1	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A
Ward 18	1	Shenstone Ambleton Sanitation System	11.06.2025	30.07.2026	Site Establishment	17 894 932,95
	2	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 19	1	Ventilated Improved Toilets (VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 20	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 21	1	Rehabilitation of Dambuza Main Road	18.02.2025	19.01.2026	60% of 1.8km Completed	34 456 867,26
	2	Elimination of Conservancy Tanks	19.09.2023	10.10.2024	100% of construction completed	25 070 951,18
	3	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 22	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 23	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 24	1	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A
Ward 25	1	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A
Ward 26	1	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A
Ward 27	1	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A
Ward 28	1	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A
Ward 29	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 30	1	Ezinketheni Water Reticulation	17.11.2023	15.09.2025	95% of construction completed	27 617 879,67
	2	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 31	1	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A
Ward 32	1	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A
Ward 33	1	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A
Ward 34	1	Construction of Community Hall (Madiba)	14.05.2025	13.03.2026	Site Establishment	14 011 127,35
Ward 35	1	Darvill Sewer Outfall	07.06.2023	12.12.2025	75% of construction completed	85 580 816,98
Ward 36	1	N/A	N/A	N/A	N/A	N/A
	2	N/A	N/A	N/A	N/A	N/A
Ward 37	1	N/A	N/A	N/A	N/A	N/A
Ward 38	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
Ward 39	1	Ncwadi Water Supply	30.11.2023	20.05.2025	100% of construction completed	40 538 492,50
	2	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00
Ward 40	1	Construction of Sport Field(Mkangala)	01.05.2024	30.06.2025	100% of construction completed	15 158 098,00
	2	Rehabilitation of Baleni Road	22.11.2024	24.10.2025	95% of 0.7km Completed	9 108 618,67
	3	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	135 Units Completed	2 295 000,00
Ward 41	1	Ventilated Improved Toilets(VIP)	22.11.2024	30.06.2025	90 Units Completed	1 530 000,00
						450 108 762,36

APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR

PROJECT RELATING MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT(WSIG)			
Ward Name (No.)	Number	Project Name	Completed or not Completed
Ward 1	1	Rehabilitation of Roads Vulindlela Ward 1(Khumalo Road)	Not Completed
	2	Ventilated Improved Toilets(VIP)	Completed
Ward 2	1	Ventilated Improved Toilets(VIP)	Completed
Ward 3	1	Ventilated Improved Toilets(VIP)	Completed
Ward 4	1	Rehabilitation of Roads Vulindlela(D1138)	Completed
	2	Ventilated Improved Toilets(VIP)	Completed
Ward 5	1	Construction of 300mm dia. X 2.715km long steel pipeline	Completed
	2	Rehabilitation of Roads Vulindlela(Makhaye Road)	Not Completed
	3	Ventilated Improved Toilets(VIP)	Completed
Ward 6	1	Ventilated Improved Toilets(VIP)	Completed
Ward 7	1	Ventilated Improved Toilets(VIP)	Completed
Ward 8	1	Ventilated Improved Toilets(VIP)	Completed
	2	Construction of Community Hall(Kwa Zondi)	Not Completed
	3	Construction of Community Hall(Elandskop)	
Ward 9	1	Ventilated Improved Toilets(VIP)	Completed
Ward 10	1	Ventilated Improved Toilets(VIP)	Completed
Ward 11	1	Ventilated Improved Toilets(VIP)	Completed
Ward 12	1	Ventilated Improved Toilets(VIP)	Completed
Ward 13	1	Shenstone Ambleton Sanitation System	Not Completed
	2	Ventilated Improved Toilets(VIP)	Completed
Ward 14	1	Ventilated Improved Toilets(VIP)	Completed
Ward 15	1	N/A	
	2	N/A	
Ward 16	1	Ventilated Improved Toilets(VIP)	Completed
Ward 17	1	N/A	
	2	N/A	
Ward 18	1	Shenstone Ambleton Sanitation System	Not Completed
	2	Ventilated Improved Toilets(VIP)	Completed
Ward 19	1	Ventilated Improved Toilets(VIP)	Completed
Ward 20	1	Ventilated Improved Toilets(VIP)	Completed
Ward 21	1	Rehabilitation of Dambuza Main Road	Not Completed
	2	Elimination of Conservancy Tanks	Completed
	3	Ventilated Improved Toilets(VIP)	Completed
Ward 22	1	Ventilated Improved Toilets(VIP)	Completed
Ward 23	1	Ventilated Improved Toilets(VIP)	Completed
Ward 24	1	N/A	N/A
	2	N/A	N/A
Ward 25	1	N/A	N/A
	2	N/A	N/A
Ward 26	1	N/A	N/A
	2	N/A	N/A
Ward 27	1	N/A	N/A
	2	N/A	N/A
Ward 28	1	N/A	N/A
	2	N/A	N/A
Ward 29	1	Ventilated Improved Toilets(VIP)	Completed
Ward 30	1	Ezinketheni Water Reticulation	Not Completed
	2	Ventilated Improved Toilets(VIP)	Completed
Ward 31	1	N/A	N/A
	2	N/A	N/A
Ward 32	1	N/A	N/A
	2	N/A	N/A
Ward 33	1	N/A	N/A
	2	N/A	N/A
Ward 34	1	Construction of Community Hall (Madiba)	Not completed
Ward 35	1	Darvill Sewer Outfall	Not Completed
Ward 36	1	N/A	N/A
	2	N/A	N/A
Ward 37	1	N/A	N/A
Ward 38	1	Ventilated Improved Toilets(VIP)	Completed
Ward 39	1	Ncwadi Water Supply	Completed
	2	Ventilated Improved Toilets(VIP)	Completed

PROJECT RELATING MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT(WSIG)			
Ward Name (No.)	Number	Project Name	Completed or not Completed
Ward 40	1	Construction of Sport Field(Mkangala)	Completed
	2	Rehabilitation of Baleni Road	Not Completed
	3	Ventilated Improved Toilets(VIP)	Completed
Ward 41	1	Ventilated Improved Toilets(VIP)	Completed

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Not Applicable for Msunduzi Municipality

APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Not Applicable for Msunduzi Municipality

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

The Long - term Loans register is monitored monthly to ensure loan repayments/ commitments are met (paid) when they are due in accordance with the loan agreement.

The long-term loan balance as of 30 June 2025 is R 350 590 806.00 the loan is repaid twice yearly.

The table below is a summary of DBSA Long-term loan as of 30 June 2025

LOAN #	PROJECT #	LOAN DATE	REDEMPTION DATE	PERIOD/YEARS	LOAN AMOUNT	CAPITAL BALANCE	PURPOSE OF LOAN
61007890	12008534	01/02/2024	30/06/2035	10	350 590 806,00	350 590 806,00	Electrical Infrastructure Programme
					350 590 806,00	**350 590 806,00**	

APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

Status of Schedule of Documents Submissions														
Demarcation Description	Demarc Code	CAP	Financial Year	Submission Code		First Possible Upload Date	Due Date	Date of Last Submission	Version of Submission	Status of Schedule	Late On Time	Status of Document Approval	Approval Data Last Update	Approval Data UserID
Location Level Selected: National (All)														
Province : KWAZULU-NATAL (KZN)														
Msunduzi	KZN225	H	2025	D33A	S71 monthly report-M01	2024/08/01	2024/08/14	2024/08/16	1	Submitted/ Successful	Late	Approved	2024/08/21 16:53:13	7646
Msunduzi	KZN225	H	2025	D33B	S71 monthly report-M02	2024/09/01	2024/09/14	2024/09/13	1	Submitted/ Successful	On Time	Approved	2024/09/17 15:00:49	5039
Msunduzi	KZN225	H	2025	D33C	S71 monthly report-M03	2024/10/01	2024/10/14	2024/10/15	3	Submitted/ Successful	Late	Approved	2024/10/24 10:47:46	1925
Msunduzi	KZN225	H	2025	D33D	S71 monthly report-M04	2024/11/01	2024/11/14	2024/11/18	3	Submitted/ Successful	Late	Approved	2024/11/19 13:28:46	1925
Msunduzi	KZN225	H	2025	D33E	S71 monthly report-M05	2024/12/01	2024/12/14	2025/01/07	2	Submitted/ Successful	Late	Approved	2025/01/13 13:40:35	7437
Msunduzi	KZN225	H	2025	D33F	S71 monthly report-M06	2025/01/01	2025/01/15	2025/01/15	1	Submitted/ Successful	On Time	Approved	2025/01/21 12:26:51	7646
Msunduzi	KZN225	H	2025	D33G	S71 monthly report-M07	2025/02/01	2025/02/14	2025/02/14	1	Submitted/ Successful	On Time	Approved	2025/02/20 14:09:42	7646
Msunduzi	KZN225	H	2025	D33H	S71 monthly report-M08	2025/03/01	2025/03/14	2025/03/14	1	Submitted/ Successful	On Time	Approved	2025/03/19 08:18:12	7646
Msunduzi	KZN225	H	2025	D33I	S71 monthly report-M09	2025/04/01	2025/04/14	2025/04/14	1	Submitted/ Successful	On Time	Approved	2025/04/24 14:49:54	5039
Msunduzi	KZN225	H	2025	D33J	S71 monthly report-M10	2025/05/01	2025/05/15	2025/05/20	2	Submitted/ Successful	Late	Approved	2025/05/27 15:03:05	1925
Msunduzi	KZN225	H	2025	D33K	S71 monthly report-M11	2025/06/01	2025/06/14	2025/06/13	1	Submitted/ Successful	On Time	Approved	2025/06/17 13:50:00	5039
Msunduzi	KZN225	H	2025	D33L	S71 monthly report-M12	2025/07/01	2025/07/14	2025/07/15	1	Submitted/ Successful	Late	Approved	2025/07/24 12:54:57	1925

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

STRATEGIC PLANNING

INTRODUCTION TO STRATEGIC PLANNING

Strategic planning is a structured approach to guide development and resource allocation within the municipality. It involves setting long-term goals, identifying priorities, and outlining specific actions to achieve desired outcomes, ensuring effective service delivery and sustainable growth. This process is crucial for aligning municipal activities with national and provincial development plans, fostering cooperative governance, and addressing community needs.

Municipal strategic planning is mandated by the Constitution and other legislation, such as the Municipal Systems Act, ensuring alignment with national and provincial development plans. A Strategic Plan is a city's overall, long-term vision for the future. It is a blueprint of the city's goals, planned projects to achieve those goals, and metrics to determine success. The IDP is the principal strategic planning document for the municipality, outlining a five-year plan that is reviewed annually.

The purpose of the Strategic Planning Unit is to facilitate and manage the strategic direction of the Municipality. The functions of the unit is to develop of a long-term roadmap comprised of a set of specific goals, objectives and action; to establish a vision that sets a clear path to the future of the city with the flexibility to adapt the vision as time passes and as needs require; to facilitate and manage the strategic sessions of the municipality and monitor implementation and adherence to the strategic goals thereof and to promote and facilitate inter and intra-governmental relations. Strategic plans are linked to performance agreements and monitoring frameworks to ensure accountability and effective implementation.

In essence, strategic planning is a dynamic process that ensures the municipality is well-equipped to address local needs, contribute to national development goals, and promote a better quality of life for their communities.

EMPLOYEE: STRATEGIC PLANNING					
CITY DEVELOPMENT, PURP & IDP					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	-	-	-	-	-
T04-T08	9	31	9	22	71
T09–T13	0	5	1	4	80
T14-T18	3	5	3	2	40
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	13	42	14	28	67
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.					

ORGANIZATIONAL UNITS WITHIN STRATEGIC PLANNING

- City Development
- Integrated Development Planning
- Pietermaritzburg Urban Regeneration Programme
- Organizational Compliance, Performance & Knowledge Management

CITY DEVELOPMENT

City development entails promoting the overall growth and well-being of the city, encompassing various aspects like infrastructure development, economic growth, and social upliftment. This process is driven by the implementation of a City Development Strategy (CDS).

A City Development Strategy is a long-term plan that the municipality uses to guide its growth and development, addressing issues like urban planning, economic development, and service delivery. It helps the municipality anticipate and manage challenges related to infrastructure needs and social equity. It also provides a roadmap for addressing key challenges and opportunities related to urban development, economic growth, and social well-being. CDSs are typically long-term, considering the needs and changes anticipated over a period of 20 years or more. It aims to create conditions that increase the likelihood of achieving the city's vision by focusing on key economic, social, and environmental pillars.

CDS's are complementary to IDPs, informing the IDP and using municipal budgets and Service Delivery and Budget Implementation Plans (SDBIPs) to implement the proposed strategy. To monitor and assess the implementation of the CDS at Msunduzi, the City Development unit prepared two reports to Council on the implementation of the City Development Strategy for the 2024/2025 financial year. There are 8 pillars or proposed strategies of the CDS, each pillar is assessed on the key performance indicators with the aim of ensuring the city is better governed, more inclusive, more productive and sustainable. The performance of business units was measured against the eight pillars of the CDS and reported to Council bi-annually and annually to ensure that the city is working toward achieving its long-term vision.

In addition to the above, to ensure financial sustainability of the municipality, the municipality implemented a voluntary Financial Recovery Plan (FRP) which was developed by National Treasury. The FRP adopts a strategic, focused approach which is time-bound yet comprehensive enough to ensure that the underlying causes of the challenges are adequately addressed. The City Development unit coordinates and facilitates the implementation and monitoring of the FRP. Monthly reports on the progress of the FRP are submitted Council and National Treasury and quarterly reports are submitted to CoGTA and Provincial Treasury.

During the 2024/25 financial year, the City Development unit further facilitated and coordinated the process of ensuring the municipality re-strategizes in order to be adequately guided in serving the communities to reconfigure the strategic planning processes through Strategic Planning Sessions involving the Top Management Committee, Management Committee, National Treasury, Department of Cooperative Governance and Traditional Affairs and various other external stakeholders. The Strategic Planning sessions were scheduled in accordance with Councils approved 2024/25 financial year IDP/BUDGET/PMS Process Plan.

INTEGRATED DEVELOPMENT PLAN

The Integrated Development Plan (IDP) serves as a strategic planning document for the Msunduzi Municipality, providing a comprehensive framework for development within the area. It ensures alignment and coordination of efforts across all spheres of government to enhance the quality of life for all residents. The IDP takes into account current conditions, challenges, and available resources to guide sustainable development. It addresses both economic and social growth, outlines land use planning, identifies infrastructure and service delivery needs, and establishes measures for environmental protection.

Our Integrated Development Plan (IDP) articulates the municipality's development priorities and objectives, serving as a strategic guide for planning and implementation. It outlines the mechanisms, processes, and procedures required to facilitate meaningful engagement with the local community prior to the IDP's adoption.

Key objectives include ensuring that Technical Budget Steering Committee meetings and IDP Representative Forums are convened as scheduled, and that the draft IDP/Budget/OPMS process plan is prepared and approved for the relevant financial year. The plan also emphasizes the importance of public participation meetings, which provide a platform for community input on development initiatives and help keep residents informed of municipal strategies. Additionally, the municipality commits to active involvement in all District Development Model (DDM) forums at both political and administrative levels.

The Municipality adopted the 2025–2026 IDP/Budget and OPMS Process Plan on 28 August 2024, and all key milestones outlined in the plan were successfully met within the stipulated timelines. In accordance with the approved process plan, the draft IDP review was adopted by Council and subsequently published for public comment over a 21-day period. The unit also coordinated public consultation sessions on the IDP/Budget during April and May 2025, engaging with external stakeholders and ward committees to ensure inclusive participation. Furthermore, the Municipality remains fully compliant with Section 152 of the Constitution of the Republic of South Africa, which defines the core objectives of local government.

One of the key objectives of the IDP is to promote integrated and coordinated development across the municipality. This ensures that different departments and sectors work together to achieve common goals, rather than operating in silos. It also means considering the impact of development

on all aspects of the municipality, including the economy, the environment, and social welfare. Implementation of the IDP is the responsibility of the municipality and it must be regularly monitored and reviewed to ensure that it remains relevant and effective. The IDP is a five-year planning document that must be updated/reviewed annually to consider any changes in the municipality's priorities.
The business unit conducts regular reviews of its sector plans in alignment with the recommendations outlined in the MEC's letter. In addition, a functional Technical Budget Steering Committee convenes regularly to oversee and ensure compliance with IDP and Budget requirements. To promote ongoing engagement between the municipality and its stakeholders, the IDP Unit coordinates a well-functioning forum, which enjoys consistent and active participation from both sector departments and external stakeholders.

The unit has also established Internal Alignment Planning Sessions and successfully convened five such meetings. These alignment sessions provide a platform for engagement amongst all business units in ensuring proper integration and information sharing within the municipality. These sessions have assisted in encouraging synergy within the municipality, and it is essential that future plans are synchronized, and the data used to inform them must be consistent across all sector plans.

In line with the ongoing SAP system upgrade within the Municipality, a custom ZIDP transaction has been developed specifically for Msunduzi. This transaction serves as a BPC planning tool, that enables users to efficiently maintain accurate and up-to-date IDP and SDBIP master data. Given that this information is subject to annual updates and five-year review cycles, the tool ensures that data remains relevant and aligned with planning requirements.

PIETERMARITZBURG URBAN RENEWAL PROGRAMME(PURP)
The purpose of the PURP unit is to revitalize the city, stimulate economic growth, restore economic vitality, increase investor confidence in the city by relieving social problems through the maintenance, rehabilitation, beautification and rebuilding of the urban spaces to create a safe and well-maintained city to improve investor confidence. Develop a coordinated institutional framework for the city and to ensure that infrastructure and service delivery imperatives meets the demands of future growth within the city.

During the 2024/25 financial year, the PURP unit facilitated the CBD Regeneration Programme initiative. The main objective of the programme was to coordinate a multidisciplinary approach to address various service delivery challenges in the CBD. Some of the challenges that have been addressed includes road markings, maintenance of streetlights and traffic lights, maintenance of walkways and stormwater drainage systems, responding to water leaks, maintenance of public spaces, responding to illegal street trading, responding to environmental health challenges, traffic management control, enforcement of by-laws, responding to illegal dumping and optimizing waste management operations.

Moreover, the unit coordinated the application for Budget Facility for Infrastructure (BFI) on the Msunduzi Water and Sanitation Infrastructure Upgrade (MWSIU) Programme. The MWSIU Programme is a water and sanitation project to supply combined 226 329 people with water and sanitation in Willowfountain, parts of Vulindlela and Shenstone improving capacity through water infrastructure upgrades. The budget for the planning studies was approved under the Regional Bulk Infrastructure Grant (RBIG), and the consultants are busy with the finalization of the planning phase.

Emanating from the approved CBD Core Precinct Plan and the CBD Regeneration Strategy, the PURP unit has facilitated the approval (by Council) of the development plans for the Freedom Square Precinct Development and the Revitalization of City Entrances with the aim of starting this project in the new financial year. The unit is currently in the process of sourcing funding for these two projects and there have been engagements with various external stakeholders regarding the sourcing of funding for both projects. The planning study for the Freedom Square Development will be part of the Church Street Upgrade project which was approved by National Treasury. The unit is at the advanced stage with the donation of the train coaches for the Freedom Square Development by the railway agency.

Furthermore, in line with the vision 2040, the unit has developed a draft Smart City Policy, and it is enroute to Council for approval. In addition, the unit is facilitating the upgrade of the Maritzburg Mall. This is a multidepartment intervention that aims at restoring the dignity of the inner CBD through the fixing of paving, replacement of manhole covers, refurbishing of water fountains, improvement of lighting, installation of street furniture with charging ports, demarcation of parking bays, restoration of signage, enhancement of law enforcement, etc. The unit is also in a process of engaging property owners to assist with painting their buildings whilst discussions of introducing City Improvement Districts (CID) are underway.

PERFORMANCE MANAGEMENT UNIT
The Msunduzi Municipality has an approved Organizational Performance Management System (OPMS) Framework which serves as the guideline document for the implementation of the Performance Management System (PMS) within the Municipality. The implementation of Performance Management is guided by various legislative prescripts and requirements. The OPMS Framework is inclusive of the following interrelated processes:

- Planning
- Implementation
- Monitoring
- Evaluation.

The Msunduzi Municipality's PMS is the primary mechanism to monitor, review, and improve the implementation of the IDP and to gauge the progress made in achieving the objectives set out in the IDP. In addition, the municipality's PMS facilitates increased accountability, learning, improvement, as well as providing early warning signals to facilitate decision-making. The PMS monitors actual performance against set targets and contractual obligations. Effective service delivery relies upon the IDP, efficient utilization of all resources and the PMS being integrated across all functions at an organizational and individual level. The most valuable reason for measuring performance is that what gets measured gets done. Once performance planning and the IDP have been completed and departmental SDBIP's are in place, they need to be implemented by executing the work in accordance with these plans. As the work is executed, it needs to be continuously monitored and periodically measured and reported on. Reporting requires that the Municipality takes the priorities of the organization, its performance objectives, indicators, targets, measurements, and analysis, and present this information in a simple and accessible format, relevant and useful to the specific target group, whilst meeting the legal prescripts for reporting.

The OPMS unit is responsible for Organizational Performance Management Systems in the Msunduzi Municipality, the unit is also responsible for Individual Performance for the Municipal Manager and Senior Managers reporting to the Municipal Manager.

In the 2024/2025 financial year the PMS unit managed to sign the Performance Agreement of 3 Senior Managers and submit them to MEC CoGTA as per legislation, however it must be noted that the process for signing Performance Agreements were affected by the vacancies within the Senior Management positions, there were Performance Agreements signed by Acting incumbents for the vacant senior management positions. The Performance Agreements of the Senior Managers were placed on the Website of the Municipality.

The SDBIP for the 2024/2025 financial year was approved by the mayor on the 18th of June 2024, this highlighted the second year of implementing the top layer SDBIP as per Circular 13 of the Municipal Finance Management Act. This was done to assist the municipality in projecting it's indicators

on the strategic level; the departmental layer assisted the municipality in projecting operational indicators and with the monitoring of the top layer on a monthly basis.

The Development of the Top Layer is accompanied by the Technical Indicator Description(TID), this document serves to explain the indicators contained in the Top Layer SDBIP for clarity and assurance, the TID is not regulated by legislation, it is a National Treasury guide to assist in describing Indicators. The PMS unit in the 2024/2025 financial year, had a vacancy rate of 14.28%, one staff member was seconded to Corporate Services to assist with Cascading of IPMS in the Municipality and one post remained vacant. This is crucial because the aim and vision of the unit was to ensure that each Business unit has a Performance Advisor to assist with Performance matters.

EMPLOYEE: PMU					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	-	-	-	-	-
T04-T08	-	1	-	1	100
T09–T13	3	10	4	6	60
T14-T18	7	13	7	6	46
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	11	26	12	14	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.					

AOPO FINDINGS

In the 2023/2024 Audit the PMS unit had 7 findings in comparison to the 2022/2023 financial year where we received 22 findings. Thef findings depicted that we need to strengthen our Internal Controls in relation to information and records management systems which must be entrenched through individual performance. There are three levels of verification and assurance, the first level is the DMM in conjunction with Senior Managers, the next level is then the PMS unit to do verifications and then lastly Internal Audit before submission. The issue with these steps is that it seems that the findings show that internal controls within the steps are not being monitored correctly.

DEVELOPMENTS AND ACTION PLANS FOR AUDIT PURPOSES

A checklist should be considered by the PMS unit as part of the standard operating procedures for sign-off (by DDMs, GMs and SMs and the PMS unit) to confirm that all compliance requirements and qualitative aspects of the performance planning information (i.e. alignment between all planning documents and SMARTness thereof) have been ensured. In addition, the PMS unit refined the Technical Indicator Description to ensure that calculation methods are verifiable, Monthly MANCO to report on the non-achievement of Indicators.

The PMS SOP was reviewed during this financial year, to take into consideration the findings from the previous audit and the Internal Audit Findings on the 2024/2025 PMS Audit. The following matters on the action plan were reviewed during the financial year and will be utilised and monitored in the next financial year.

PMS INTERNAL AUDIT			
FINDING	RECOMMENDATION	ACTION PLAN	UPDATE
Finding 1: ORGANIZATIONAL PERFORMANCE MANAGEMENT (OPMS) POLICY AND STANDARD OPERATING PROCEDURES (SOP) NOT REVIEWED FOR THE 2024/25 FINANCIAL PERIOD	Management should ensure that performance management policies and SOP are timeously reviewed, approved and workshopped to reduce the risks of non-compliance with the applicable legislation and inefficiencies within the performance management function.	Review SOP in line with recommendations. Follow up on Policy once it has been noted by TMC	Completed
	Once approved, the policies and SOPs should be workshopped to all employees for efficient implementation. The workshop should infuse change management activities to ensure effective buy-in.	Review SOP in line with recommendations. Follow up on Policy once it has been noted by TMC	Completed
Finding 2: SDBIP NOT PREPARED AND APPROVED IN LINE WITH THE APPROVED OPMS POLICY AND S53 (1)(C)(II) OF THE MFMA	Management should consider reviewing the system of internal control around the process of developing the SDBIP for the municipality. In that, control measures are instituted (such as including a KPI for development of a credible SDBIP in the performance plan of GMs & SMs, and this should have a significant weight to influence performance evaluation decisions) to provide for comprehensive management review of the SDBIP and OPs to ensure that performance planning documents conform to section 41 of the Municipal Systems Act, section 9 of the Municipal Planning, Performance Management Regulations and other applicable legislation.	PMS Unit to introduce procedure in order to ensure that on an Annual Basis the SDBIP is prepare within 21 days after the approval of the Budget, this will allow Management the last seven days to deliberate and make necessary amendments prior to signing off by the mayor	SDBIP Approved within 28 days
Finding 3: DISCREPANCIES NOTED IN THE PERFORMANCE INFORMATION CONTAINED IN THE IDP SCORECARD, SDBIP AND PERFORMANCE AGREEMENTS	Management should ensure that all Key Performance Indicators conform to the SMART principal criteria as defined in the Municipal Systems Act, Municipal Planning, Performance Management Regulations and other applicable legislation such as FMPPI. This suggested review should take effect as part of the mid-year SDBIP and budget review for adoption by council on or before 25 January 2025	N/A	The Adjustment SDBIP has addressed this matter, as the SMARTness of Indicators was addressed in line with the review of the TID
	A checklist should be considered by the PMS unit as part of the standard operating procedures for sign-off (by GMs and SMs and the PMS unit) to confirm that all compliance requirements and qualitative aspects of the performance planning information (i.e. alignment between all planning documents and SMARTness thereof) have been ensured.	Checklist for Quality Assurance will be created, Memos for sign off on Performance Document to be created, SDBIP to be discussed at Management meeting prior to approval, Refresher Course to be organized per Business unit on OPMS	Completed

PMS INTERNAL AUDIT			
FINDING	RECOMMENDATION	ACTION PLAN	UPDATE
Finding 3: DISCREPANCIES NOTED IN THE PERFORMANCE INFORMATION CONTAINED IN THE IDP SCORECARD, SDBIP AND PERFORMANCE AGREEMENTS	A checklist should be considered by the PMS unit as part of the standard operating procedures for sign-off (by GMs and SMs and the PMS unit) to confirm that all compliance requirements and qualitative aspects of the performance planning information (i.e. alignment between all planning documents and SMARTness thereof) have been ensured	Checklist for Quality Assurance will be created, Memos for signing off on Performance Document to be created, SDBIP to be discussed at Management meeting prior to approval, Refresher Course to be organized per Business unit on OPMS	Completed
Finding 4: OPERATIONAL AND TECHNICAL INDICATORS RECORDED NOT ALIGNED WITH THE STARTEGIC OBJECTIVES OF THE MUNICIPALITY	Management should ensure that all Key Performance Indicators conform to the SMART principle criteria as defined in the Municipal Systems Act, Municipal Planning, Performance Management Regulations and other applicable legislation such as FMPPI. This suggested review should take effect as part of the mid-year SDBIP and budget review for adoption by council on or before 25 January 2025	Checklist for Quality Assurance will be created, Memos for sign off on Performance Document to be created, SDBIP to be discussed at Management meeting prior to approval, Refresher Course to be organized per Business unit on OPMS	The Checklist has been developed and will be utilized as and when the Policy review is completed and approval from Council has been received
	Management should put in place control measures should be put in place to provide for comprehensive management review of the SDBIP to ensure that performance planning documents conform to section 41 of the Municipal Systems Act, section 9 of the Municipal Planning, Performance Management Regulations and other applicable legislation.	Checklist for Quality Assurance will be created, Memos for sign off on Performance Document to be created, SDBIP to be discussed at Management meeting prior to approval, Refresher Course to be organized per Business unit on OPMS	Completed
Finding 4: OPERATIONAL AND TECHNICAL INDICATORS RECORDED NOT ALIGNED WITH THE STARTEGIC OBJECTIVES OF THE MUNICIPALITY	A checklist should be considered by the PMS unit as part of the standard operating procedures for sign-off (by the PMS unit) to confirm that all compliance requirements and qualitative aspects of the performance planning information (i.e. alignment between all planning documents and SMARTness thereof) have been ensured.	Checklist for Quality Assurance will be created, Memos for sign off on Performance Document to be created, SDBIP to be discussed at Management meeting prior to approval, Refresher Course to be organized per Business unit on OPMS	Completed

Training for the PMS staff was only conducted in relation to the IPMS automated system. The system was organised through SALGA for Municipalities who requested a Pilot system for the automated system. The PMS Advisors are affected due to the cascading of performance agreements to all levels of employees and having signed performance agreements would assist when it is time for conducting performance appraisals.

Prior to the conclusion of the 2024/2025 financial year, the PMS facilitated the Performance Reviews for Deputy Municipal Managers. This is a session for Pre Assessments prior to the formal performance assessment. The process was completed and waiting the finalisation of the formal reviews for DMMs. The Performance Assessment sessions have been affected by the vacancies that exist in the Institution, this process can be assisted through the filling of vacancies of senior managers.

OVERALL PERFORMANCE OF THE STRATEGIC PLANNING UNIT

In the 2024/25 financial year, the Strategic Planning unit achieved the following milestones:

- The Municipality adopted the 2025–2026 IDP/Budget and OPMS Process Plan on 28 August 2024, and all key milestones outlined in the plan were successfully met within the stipulated timelines.
- In accordance with the approved process plan, the draft IDP review was adopted by Council and subsequently published for public comment over a 21-day period.
- The SDBIP for the 2024/2025 financial year was approved by the Mayor on the 18th of June 2024, this highlighted the second year of implementing the top layer SDBIP as per Circular 13 of the Municipal Finance Management Act.
- The PURP unit coordinated the application for Budget Facility for Infrastructure (BFI) on the Msunduzi Water and Sanitation Infrastructure Upgrade (MWSIU) Programme for which funding was approved under the Regional Bulk Infrastructure Grant (RBIG).
- Emanating from the approved CBD Core Precinct Plan and the CBD Regeneration Strategy, the PURP unit has facilitated the approval (by Council) of the development plans for the Freedom Square Precinct Development and the Revitalization of City Entrances project.
- The planning study for the Freedom Square Development will be part of the Church Street Upgrade project and was approved by National Treasury.
- During the 2024/25 financial year, the City Development unit facilitated and coordinated the process of ensuring the municipality re-strategizes in order to be adequately guided in serving the communities to reconfigure the strategic planning processes through Strategic Planning Sessions.
- Council is implementing the voluntary Financial Recovery Plan to ensure financial sustainability of the municipality. This process is coordinated by the City Development unit.
- During the 2024/25 financial year, the City Development unit monitored the implementation of the City Development Strategy with the aim of ensuring the city is better governed, more inclusive, more productive and sustainable.

INTRODUCTION TO THE COMMUNICATIONS AND INTERGOVERNMENTAL RELATIONS SUB-UNIT

COMMUNICATION

Communications play a pivotal role in shaping the public image of Msunduzi Municipality and strengthening cooperative governance across all spheres of government. During the 2024/2025 financial year, the Unit remained committed to fostering transparent, citizen-focused communication while driving alignment and collaboration through structured intergovernmental platforms.

Through strategic messaging, stakeholder engagement, and coordination with national, provincial, and district partners, the Unit has contributed significantly to improved service delivery, institutional visibility, and responsiveness to community needs. The Unit also continues to act as a bridge between the Municipality and its residents, enhancing public participation, building trust, and ensuring that information on municipal programmes, priorities, and challenges is communicated clearly and consistently.

INTERGOVERNMENTAL RELATIONS

Msunduzi Municipality upholds the principles of co-operative governance as enshrined in the Constitution of South Africa. This approach ensures

collaborative planning and implementation between the three spheres of government National, Provincial, and Local to drive integrated service delivery and developmental impact.

Effective intergovernmental relations (IGR) within the Municipality are pivotal to aligning priorities, pooling resources, and ensuring that infrastructure and services reach communities efficiently. The Municipality further works in partnership with traditional leaders, municipal entities, and civil society organisations to ensure that government interventions are inclusive and responsive to the needs of residents.

PERFORMANCE HIGHLIGHTS

The Communications

The Communication function focused on strengthening the Municipality's brand, improving public engagement, and ensuring accurate, timely dissemination of information. Key highlights include:

Proactive Media Relations: Issued over 80 media statements, responses, and alerts on key service delivery matters, projects, and emergencies to promote transparency and protect the image of the Municipality.

Media Monitoring and Reputation Management: Tracked and analysed daily coverage from local and national media to guide messaging, address misinformation, and manage risks to the Municipality's reputation.

Internal Communication Enhancement: Produced monthly internal bulletins and the Municipal Manager's Communiqué to improve staff awareness of strategic priorities, organisational changes, and performance milestones.

Mayoral and City Events Support: Provided full media and communications support for Mayoral Imbizos, community outreach programmes, launches, and municipal campaigns, ensuring positive exposure and stakeholder engagement.

Crisis and Emergency Communication: Activated public notices and alerts across media platforms during service disruptions, protests, and disaster incidents, including water outages, electricity faults, and flooding.

Digital Presence: Strengthened the Municipality's social media presence, with notable growth in community engagement across platforms such as Facebook and X (formerly Twitter), including the use of visual content, livestreaming, and video messaging.

Content Development: Designed and disseminated infographics, video explainers, public notices, and newsletters for water, electricity, roads, sanitation, waste management projects and various campaigns.

Batho Pele and Call Centre- Customer service

The Customer service function is a vital link between the public and municipal services, aimed at improving responsiveness and accessibility.

Call Centre Operations: Operated a centralised municipal call centre that managed thousands of calls related to electricity faults, water supply issues, and other service delivery complaints. The centre serves as the main reporting point for citizens.

Complaints Analysis and Reporting: Produced weekly and monthly service delivery complaint reports to guide operational departments in improving turnaround times and resolution rates.

Batho Pele Awareness Campaigns: Conducted Batho Pele outreach sessions and staff awareness drives to promote ethical and citizen-focused service delivery. These sessions were aimed at reinforcing municipal values such as courtesy, consultation, openness, and redress among frontline personnel and internal departments.

Customer Service Policy Workshops: Hosted internal workshops with various municipal departments to institutionalise the Customer Service Charter, standardise complaint handling procedures, and clarify departmental roles in service delivery and escalation.

INTERGOVERNMENTAL RELATIONS

The Intergovernmental Relations (IGR) function focused on fostering collaborative service delivery and coordinated development planning across spheres of government.

National Intergovernmental Structures

Msunduzi Municipality maintains direct and active engagements with national government departments in addition to participating in formal national forums. These engagements serve as a critical enabler for unlocking technical expertise, policy guidance, financial support, and strategic alignment with national development priorities.

Benefits Derived from National Engagements

- Through these direct relationships and participation in national forums, the Municipality has achieved:
- Access to specialized expertise on financial recovery, infrastructure funding, urban planning, and sustainable human settlements.
- Improved planning and grant compliance, reducing risk of grant forfeitures and improving service delivery timelines.
- Early identification of risks and opportunities, including budget shortfalls, regulatory changes, and investment opportunities.
- Enhanced capacity within municipal departments, especially in finance, housing, and infrastructure delivery.
- Inclusion in pilot projects and innovation support
- Sharing of best practices with peer municipalities across the country.
- Contribution to policy development and legislative reviews impacting local governance.
- Access to technical support from national departments.

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

During the 2024/2025 financial year, the Municipality participated in several key provincial IGR structures, including:

- MUNIMEC and Technical MUNIMEC
- Premier's Coordinating Forum (PCF)
- KwaZulu-Natal Local Government Communicators Forum
- Provincial Human Settlements and Infrastructure Planning Forums

These engagements have facilitated joint planning, accelerated implementation, and improved coordination on key infrastructure and development programmes such as:

- Vulindlela Bulk Water Supply Scheme
- Umkhomazi Water Project
- Darville Wastewater Treatment Plant Upgrade
- Disaster relief and climate resilience initiatives
- Electrification of Informal Settlements
- Implementation of the Integrated Public Transport Network (IPTN)
- Human settlements and housing delivery coordination
- SMME development and Expanded Public Works Programme (EPWP)

The Municipality benefitted from improved budgeting alignment, technical support, and streamlined service delivery through these provincial partnerships.

DISTRICT INTERGOVERNMENTAL STRUCTURES

Msunduzi Municipality plays an active role in the implementation of the District Development Model (DDM) within the uMgungundlovu District. The DDM brings together all spheres of government, state entities, and other stakeholders under a unified "One Plan" for the district.

Msunduzi Municipality serves as the Chair and Coordinator of the District Development Model (DDM) Economic Sector, Investment, and Infrastructure Development (ESIID) Sub-Cluster within the uMgungundlovu District.

By chairing this sub-cluster, Msunduzi plays a key role in convening stakeholders, facilitating sector-specific engagements, driving project implementation monitoring, and ensuring that catalytic initiatives within the economic and infrastructure space are aligned with the broader district and provincial development priorities.

Meetings are held on a quarterly basis to assess progress, share updates, and mobilise collective action in line with the One Plan approach of the DDM. The following table is the executive structure of the ESIID Sub – Cluster:

Cluster Chairperson	Msunduzi Mayor	Cllr M. Thebolla
Cluster Co-Chairperson	Msunduzi Municipal Manager	Mr. S. Mndebele
Cluster Convenor	UMDM Municipal Manager (Acting)	Dr. EX Muthwa

Dates of the ESIID SUB-Cluster Meetings as of the 2024/25 Financial Year:

DATE	TIME	PLATFORM	STRATEGIC MATTERS DISCUSSED	STAKEHOLDER/ PRESENTER	ACTION ITEMS/ RESOLUTIONS	STATUS
10 April 2024	14H00	Ms Teams	Implementation and progress of Catalytic Projects	uMEDA	uMEDA to provide quarterly updated project timelines and investment leads	In Progress
17 July 2024	14H00	Ms Teams	Status on Catalytic Projects	uMEDA	LMs to adhere to the Risk Adjustment approach LM's that are underperforming develop and present their turnaround strategies to improve expenditure on the MIG funding allocations.	In Progress
			Municipal Infrastructure Grant	KZN COGTA		
			District Energy Security Plan	uMEDA		
			DDM's support to implement inventions affecting Township Establishment	uMEDA		
			District Report on Cemetries & Crematoria	KZN COGTA		
22 Oct 2024	14H00	Ms Teams	Status on the review of the DDM One Plan	UMDM	uMEDA to submit the list of Catalytic projects to national Treasury for potential funding alignment for MIG funding allocations. Sanral to align the SMME training programme with the DDM One plan to ensure access to work opportunities for applicants.	SANRAL incubator to provide progress report.
			Status on Catalytic Projects Land Disposal Committee	uMEDA		
			Dept. of Human Settlement Projects	KZN DHS		
			Dept. of Transport Projects	KZN DOT		
			Status on Integrated Waste Management Plan	UMDM		
			Climate Change and Resilience	Msunduzi LM		
			SANRAL N3 SMME's workplace construction training and development incubation programme	SANRAL		
19 Feb 2025	14H00	Ms Teams	Status on Catalytic Projects	uMEDA	Consolidated presentations for all LM's under UMDM need to be submitted. Conduct workshops on the Cemetery Master Plan to all LMs within the jurisdiction of UMDM.	In Progress
			LED Municipal programs and plans 2025/26	Municipal LED Units		
			MIG turn around strategies to improve expenditure on the MIG Funding allocation for municipalities	Municipal Infrastructure Units		
			Status on the progress made on addressing the issue of dilapidated buildings for LM's within UMDM	KZN COGTA		
12 June 2025	15H00	Ms Teams	Status on Catalytic Projects	uMEDA	uMEDA to submit the application to the National Skills Fund (NSF) for the funding to employ 525 technicals to address water leaks and conservation in collaboration with LM's. EDTEA to finalize the plan for Political principals to adopt and approve after incorporating comments and inputs from the ESIID meeting. EDTEA to submit investment ready projects to the Dept. of Tourism. EDTEA to reevaluate the regional Airport Strategy to consider the feasibility of developing regional airports including the PMB airport.	Pending finalisation of the transformation plan by EDTEA
			LED Municipal programs and plans 2025/26	Municipal LED Units		
			MIG turn around strategies to improve expenditure on the MIG Funding allocation for municipalities	Municipal Infrastructure Units		
			Status on the progress made on addressing the issue of dilapidated buildings for LM's within UMDM	KZN COGTA		
			Reviewing the Provincial reconstruction and transformational plan	KZN EDTEA		

Other Structures that Msunduzi Municipality participated in include:

- Political and Technical Hubs
- Justice and Community Safety Cluster
- Governance and Administration Cluster
- Communications Forum
- LED and Tourism Forums
- IDP Representative Forums

The participation in DDM structures enabled the Municipality to:

- Facilitate coordinated implementation of projects worth approximately R24 billion.
- Align local Integrated Development Plans (IDPs) with district and provincial priorities.
- Access oversight, strategic guidance, and resource mobilisation support from sector departments.
- Promote joint infrastructure investment and cross-cutting developmental programmes.

EMPLOYEE: OFFICE OF THE CITY MANAGER					
COMMUNICATIONS AND IGR & ORGANISATIONAL COMPLIANCE AND PMS					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	-	2	1	1	-
T04-T08	43	44	38	6	14
T09–T13	5	7	7	-	-
T14-T18	7	9	7	2	22
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	56	63	53	10	16

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.

SUSTAINABLE DEVELOPMENT AND CITY ENTERPRISES

INTRODUCTION TO HUMAN SETTLEMENTS

The need for sustainable human settlements is a constant challenge facing the Msunduzi Municipality and South Africa as a whole. This need is partly a result of migration caused by socio-economic pull and push factors as well as a change in population dynamics, but it is mostly a consequence of past socio-economic and spatial injustices, realised by apartheid governance and spatial planning.

The need for sustainable human settlement persists despite new policies and legislation ushered in since the dawn of democracy in 1994. While the goalposts continue to shift due to population growth and socio-economic and political dynamics, since 1994, the government has made substantial progress towards the realisation of Section 26 of the Constitution of South Africa "the right to adequate housing for all". This progress in addressing the housing need has been realised employing policy development and planning at all spheres of government for the development of sustainable human settlements and practical implementation thereof.

The Human Settlements Sector Plan is a critical 5-year plan for the Msunduzi Municipality to showcase its human settlements delivery goals, targets for the municipality, and provides an approach to human settlements delivery and spatial transformation. The Human Settlements Sector Plan is reviewed annually together with the Integrated Development Plan of the Municipality. Msunduzi Municipality developed its first Human Settlements Sector Plan in 2011 for a 5-year period. The Human Settlements Sub-Unit undertook annual reviews subsequently as per legislative requirements. The second Human Settlements Sector Plan for the was adopted by council in March 2021 for a 5-year period. The latest annual review that has been adopted at council is for the 2024/2025 financial year.

Like other secondary cities in South Africa, the Municipal spatial character depicts the legacy of apartheid planning and high levels of urbanisation. There are currently seventy identified informal settlements located in different parts of the city with limited basic services.

SOME OF THE KEY OBJECTIVES OF THE HUMAN SETTLEMENTS SECTOR PLAN IS TO:

- Upgrade the existing well located informal settlements to improve land tenure and access to basic services.
- Accelerate development and consolidate human settlements development in line with the National Policy directives and the IDP of the Municipality.
- Contribute towards spatial transformation and creation of an efficient settlements and spatial pattern.
- The Municipality is currently accelerating development and has delivered several Human Settlements projects through funding from the Department of Human Settlements. Since 2004, the Municipality has delivered approximately 13000 Human Settlements units with access to basic services (water, electricity, roads, storm water, etc.).
- We currently have 24 Projects in various stages of implementation. The total project pipeline will yield over15 588 units.
- The Human Settlements Subunit is made up of four (4) Units with each focusing on key programmes of human settlements:

ORGANIZATIONAL UNITS WITHIN HUMAN SETTLEMENTS

INFORMAL SETTLEMENT

The responsibility of this section is focusing on the social facilitation/ community participation in all Human Settlements projects within the Municipality including setting up of Project Steering Committees and report back to communities. The Section also manages Beneficiary Administration in all Human Settlements projects and provide Human Settlements Consumer Education (training to beneficiaries of Human Settlements projects). The Section also monitors the growth of informal settlements and keeping records of informal dwellers by profiling and annually updating the profiles. The Section further facilitates relocations of informal households to projects. The section further administers the National Upgrading Support Programme (NUSP), which produces upgrading plans and livelihood strategies for informal settlements.

PLANNING

There are currently twenty-six (26) Human Settlements projects that are in various phases of the planning stage (Pre-feasibility and Detailed Planning). These projects are expected to deliver a combined yield of 33 771 units in different financial years and are approved by the department of Human Settlements for funding.

Projects that have completed the detailed planning stages and handed over to implementation during the current financial year have a combined yield of 4443 units.

PROJECT IMPLEMENTATION

The Section deals with project management of human settlements projects at the implementation to deliver the infrastructure services and mixed typology Human Settlements at scale. Ensuring that infrastructure services in all Human Settlements projects meet the Municipal standards. Section is properly capacitated to play its role as the development arm of Human Settlement effectively. There are currently twenty-four (24) human settlements projects that are in various phases of the implementation stage (bulk installation, internal services and top structures). These projects are expected to deliver a combined yield of 15 588 units in different financial years. During the 2024/2025 financial year the municipality was able to deliver 179 units to

low-income qualifying beneficiaries of the Msunduzi Municipality.

The Municipality is currently undertaking rectification programmes which include the rectification of 2086 Wire-walled houses where 1910 units have been constructed and handed over. The contractors are currently implementing 176 units with 120 complete and 52 yet to be completed.

Furthermore, Human Settlement is currently undertaking the installation of bulk engineering services of 5 projects namely (Khalanyoni Bulk Sewer, Kwa30, Signal Hill, Harewood, Glenwood South-East Sector). The first phase of Signal Hill is 100% complete, Kwa30 is 100% complete, Harewood 84% complete with the other projects continuing well but with a potential threat of financial constraints that have been affecting the Provincial Department of Human Settlements the past two years. This threat doesn't only affect bulks but also ongoing top structure Human Settlements projects hence the decrease in completed units.

HUMAN SETTLEMENTS ADMINISTRATION

Human Settlements Administration sections of Human Settlements that deals with Council Rental Stock. Council Rental Stock consists of Flats and Odd properties. Human Settlements Admin also deals with Files that belong to Edendale/ Imbali Township properties. The Municipality currently owns 656 rental flats and 40 state funded properties and 58 odd/ free-standing properties (houses) that are being leased out to tenants. The unit is also in the process of disposing of the approximately +- 800 ex-state owned pre-1994 properties within the Edendale area by application of the Extended Enhanced Discount Benefit Scheme (EEDBS).

CHALLENGES

There are challenges relating to the management of Informal Settlements due to massive land invasions and mushrooming of more informal settlements, and the Municipality is having a challenge in fighting this phenomenon. What is even more challenging about land invasions is that they are targeting land that has already been identified for human settlements.

Challenges with regards to the time taken on the appointment of service providers, leading to delays on the implementation of Human Settlement projects.

No allocation from Municipal Infrastructure Grant for Human Settlement Projects is delaying the services delivery of household. As mentioned above there are four (4) bulk projects that are currently underway within Msunduzi with the aim to unlock housing units. These projects have been funded solely by the PDoHS with the aim of assisting the Municipality while noting that the PDOHS primary functions is the delivery of housing units not bulk infrastructure. Due to the constrained PDOHS budget it has become an urgent requirement to be allocated MIG funding in order to realise the ongoing projects.

Provincial Department of Human Settlements (PDOHS) budgetary constraints that have been in effect from December 2023 and is still a challenge till now. These constraints went as far as PDOHS issuing out cessation letters to Implementing agents to request them to cease works from 13th January 2025 – 13 March 2025. In some cases, some of the implementing agents moved off site on their own prior to the formal letters.

Challenges facing the administration of the Human Settlements Rental stock, has been a long history of poor payment of rentals and services.

The other challenges are a lack of qualified data that both Human Settlements Administration and Finance work from in terms of rental collection and the systems being used by the sections to perform property management activities. There has also been minimal maintenance of the rental stock due to lack of funding resulting from non-payment of rentals. However, the units have advertised for appointment of a tenant management service provider as part of the revenue enhancement who will be dealing with non-payment the process there of.

The Human Settlements Planning pipeline for projects at different stages of planning may progress slowly due to budget constraints from the department of human settlements. This affects project progress as implementing agents cannot continue undertaking activities with nonpayment of invoices. Project planning milestones are therefore taking longer than anticipated resulting in contractual obligations not met by the implementing agents. These result in further extension of contracts.

PERFORMANCE ENHANCEMENTS

The Municipality is level 1 accredited by the Provincial Department of Human Settlement to perform Human Settlement activities on behalf of the province. As part of the accreditation, the Municipality is provided with Grant Funding for operational purposes; due to that the Municipality has filled all critical positions, and that has drastically improved the performance of Human Settlement and Service Delivery as whole. The Unit is constantly engaging on staff training through internal bursaries and trainings requested from Provincial and National Department of Human Settlements to improve efficiency.

HOUSING NEED IDENTIFICATION

There are various ways that Human Settlements Unit use to identify Housing Needs, these include IDP Izimbizo, from Communities from Ward Councillors. Through the Municipal Spatial Development.

Framework in terms the identification of land suitable for human Settlement, as well as other internal strategic plans e.g. Human Settlement Sector and National Upgrading Support Programme.

HUMAN SETTLEMENT DELIVERY AGENTS

Human Settlements is working together or have a relationship with a Social Housing Institution called Capital City Housing (accredited by the Social Housing Regulatory Authority as per the Rental Housing Act). This Agent is responsible for the provision of the subsidised rental accommodation. The Municipality is currently investigating the establishment of a Municipal entity to deal with the provision and management of rental housing accommodation.

SERVICE STATISTICS FOR HUMAN SETTLEMENTS

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING			
Year End	Total Households (incl. formal and informal Settlements)	Houses in formal settlements	Percentage of HHs in formal settlements
2018/2019	195 913	183 863	93,85
2019/2020	201 790	191 217	94,76
2020/2021	207 667	196 954	94.84

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING			
Year End	Total Households (incl. formal and informal Settlements)	Houses in formal settlements	Percentage of HHs in formal settlements
2021/2022	213 897	202 862	94.84
2022/2023	220 314	208 948	94.84
2023/2024	226 923	215 216	94,84
2024/2025	233 730	221 672	94.84
*Based on population projections with an average annual growth rate of 3% per annum. * Source: Based in the Stats SA General Household Survey data and Global Insight data.			

EMPLOYEE: HUMAN SETTLEMENTS SERVICES					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	1	1	1	-	-
T04-T08	8	15	8	7	47
T09–T13	34	43	34	9	21
T14-T18	8	10	8	2	20
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	52	70	52	18	26
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.					

COMMENT ON THE PERFORMANCE OF THE HUMAN SETTLEMENTS OVERALL:
The Msunduzi Human Settlement has been able to secure the total amount of Approximately R252 323 111,92 for bulk engineering service to unlock human settlement projects in the 2024/25 financial year. On the approved funding Signal Hill phase 1 (bus route) is 100% complete, Kwa 30 (road, sewer, water) is 100% complete, Harewood (Roads, stormwater, sewer) is 85% complete and Khalanyoni Bulk Sewer upgrade which transgresses in 3 wards and has the protentional to unlock 7 projects under planning that will yield approximately 20 000 units is approximately 40 % complete.

Wire wall Rectification Program is focused on rectifying the houses that were built in late 1990's using the wire wall technology. There are 2086 house to be rectified in this project, 2034 houses have been rectified under this program with 52 units currently being rectified on financial year 2024/25.

Human Settlements Planning has managed to hand over 4 projects to implementation namely Glenwood South- East Sector housing project (3000 units) which is an Integrated Development Project aimed at delivering various housing typologies for different income categories. Kwa 30 Housing project (268 low-cost housing units). The Woodlands OSS housing project aimed at (175 low-cost housing units) and the Hollingwood housing project (1000 low-cost housing units).

Informal Settlements and liaison conducted National Housing Needs Register (NHNR) which concluded that there are 115 302 households that require houses.

INTRODUCTION TO DEVELOPMENT SERVICES

The primary purpose of the Development Services Unit is to foster a conducive and supportive environment that promotes business growth, which in turn stimulates local economic development and facilitates job creation. In many smalls to medium-sized municipalities, this section is commonly referred to as Local Economic Development (LED).

The section plays a pivotal role in enhancing economic development through the promotion and support of Small, Medium, and Micro Enterprises (SMMEs) as well as Cooperatives (Co-ops). It also plays an active role in supporting and regulating the informal economy by facilitating the operations and oversight of informal street traders, tuck shops, and spaza shops. Beyond informal trading, the Development Services Unit also champions Business Development by offering support to emerging enterprises, encouraging local and external investment, and ensuring the retention and expansion of existing businesses. In addition, the unit is responsible for overseeing the Business Licensing process, which includes facilitating license applications, conducting inspections, and ensuring businesses are properly registered and compliant with municipal regulations.

A notable initiative under Development Services is the Economic Planning & Infrastructure Section, which focuses on the planning and implementation of Local Economic Development infrastructure projects. These are typically funded externally through instruments such as the Neighbourhood Development Partnership Grant (NDPG) provided by National Treasury and development support from KwaZulu-Natal Cooperative Governance and Traditional Affairs (COGTA). Examples include strategic corridor development projects and other catalytic interventions aimed at transforming the urban economy. To address unemployment, Development Services also collaborates with COGTA in the implementation of the Community Work Programme (CWP), which provides temporary employment opportunities while improving public assets and services.

With regard to Property Section, Development Services is positioned to take the lead in strategic land release and acquisition initiatives, which are fundamental to fast-tracking the municipality's investment agenda and ensuring optimal utilisation of land for economic purposes.

The Msunduzi LED Strategy has been developed as a guiding document to offer a coherent strategy and actionable implementation framework. This strategy serves to align municipal efforts with those of stakeholders, providing clear goals, strategies, and projects that will drive meaningful and inclusive economic growth across the Msunduzi Local Municipality.

Strategic Goals of the Msunduzi LED Strategy:

Goal 1: To facilitate the development, growth, and diversification of key economic sectors within the Msunduzi Local Municipality.
Goal 2: To improve the efficiency, integration, and effectiveness of Local Economic Development planning and implementation processes.

Goal 3: To support spatial planning initiatives and ensure accessible land and premises are available for business and economic development.
Goal 4: To promote and strengthen the development of small enterprises and the informal economy as engines for inclusive economic participation.
Goal 5: To provide support for the establishment, retention, and expansion of businesses in order to stimulate sustained economic activity and investment.
Goal 6: To lead and coordinate the implementation of catalytic, high-impact projects that have the potential to transform the economic landscape of the municipality.

EMPLOYEE: DEVELOPMENT SERVICES					
BUSINESS DEVELOPMENT, ECONOMIC DEVELOPMENT & LICENSING					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	-	-	-	-	-
T04-T08	5	5	4	1	20
T09–T13	16	25	19	6	24
T14-T18	3	3	3	-	-
T19-T22	1	1	-	1	-
T23-T25	-	-	-	-	-
Total	25	34	26	8	24
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.					

ORGANIZATIONAL UNITS WITHIN DEVELOPMENT SERVICES

BUSINESS DEVELOPMENT

Business Retention and Expansion
The Business Retention & Expansion (BR&E) visitation program is a systematic approach to help formal companies expand in communities, build relationships with executives, and reduce red tapes. It is a council approved strategy that includes all efforts to encourage the survival and growth of the community's existing businesses. It ensures Municipal support for investment objectives, implementing marketing interventions, and administrative record-keeping.

Target for the financial year 2024/2025
The 2024/25 financial year target for Business Retention and Expansion was to conduct 11 business retention and expansion visitations by the 30th of June 2025, and the unit conducted all 11 Business Retention and Expansion Visitation, and the annual report was submitted to the Deputy Municipal Manager. The target was met.

New Investment
New Investment Visitations is a positive approach to attract and keep new companies in the city. It also aiming at building long term relationship, enable healthy environment for businesses to grow and promote investment in the city. This is a long-term plan that assists new companies in identifying opportunities to expand under the guidance of Business Retention & Expansion. It also intends to provide ongoing support through business linkages, mentorship, market access, finance, build competitive enterprises, improve performance in the city and collect database of businesses in the city.
Target for the financial year 2024/2025

The 2024/25 financial year target for New Investment was to conduct 11 monthly business visitations under the New Investment initiative in the Msunduzi area by the 30th of June 2025. The unit conducted 11 business visitations attended by other service delivery departments to new business, which were then added to the database covering Mkondeni area, Willowton area, Greater Edendale area and CBD. The annual report with a compiled database of new investments was compiled and submitted to the Deputy Municipal Manager. The target was met.

Development Facilitation Committee
The Development Facilitation Committee (DFC) assists investors in making informed investment decisions by identifying and packaging potential projects within the municipality, creating an enabling environment for business and trade. These meetings are set to take place monthly on Microsoft Teams, they are usually chaired by the Senior Manager of Development Services and attended by different municipal departments.

Target for the financial year 2024/2025
The 2024/25 financial year target for Development Facilitation Committee was to conduct 10 Development Facilitation meetings by the 30th of June 2025. The unit conducted 11 meetings in total. The target was met.

Business Publication
The unit publish all business visitation that are conducted through Business Retention & Expansion and New Investment. The Purpose of business publications is to promote and market industrial and new businesses in the Msunduzi jurisdiction. All publications are uploaded on the Msunduzi website under Msunduzi Business Publications.

Target for the financial year 2024/2025
The 2024/25 financial year target for Business Publication was to compile annual business publication brochure. The unit compiled the Msunduzi Business Publications on 24th of June 2025. The target was met.

Business & Investment Incentives Scheme
The aim of the business incentives is to attract and encourage investors to invest or reinvest within the Msunduzi area. The business incentives focus on supporting new investments and expanding businesses that have potential future contribution to economic growth and employment opportunities within the municipal area.

Business Development section advertised Business Incentives in October 2024 with a closing date of 21 February 2025. The advertised incentives

included the rebates on municipal services such as electricity connection fees, water and Sanitation connection fees, Building plans fees, Town planning applications fees, and Business licensing fees. The section received a total number of 8 Applications, 4 applications of which qualified and 4 applications that did not qualify for the incentives. The business incentives budget was reduced to R1, 000,000 in the mid-term review and resulted the section to approve only one application for a 25% electricity connection fee waiver. After sending a letter of approval to the applicant, the applicant subsequently informed the section that they had installed a solar solution instead of an electricity connection and declined the approved incentive package.

LOCAL ECONOMIC DEVELOPMENT

As we reflect on the past financial year, our local economy has demonstrated resilience and growth, driven by strategic initiatives and collaborative efforts. The Local Economic Development section has been instrumental in fostering a thriving business environment, supporting entrepreneurship, and creating opportunities for economic inclusion. Through targeted programs and partnerships, we have worked tirelessly to stimulate innovation, attract investment, and enhance the overall quality of life for our residents. This report highlights our achievements, challenges, showcasing our commitment to building a prosperous and sustainable local economy.

Msunduzi Municipality undertook a comprehensive LED Strategy Review in 2024 to align with evolving socio-economic conditions, legislative updates, and the MEC's directive for improved IDP scoring.

The 2024/25 Msunduzi LED Strategy Review presents a revitalized, inclusive approach to economic development. It integrates post-COVID recovery, civil unrest impacts, inflation, and energy challenges into a data-driven framework aligned with national and provincial plans. Key updates include revised sub-strategies for SMMEs, cooperatives, youth, women, and persons with disabilities—each backed by stakeholder consultation and spatial targeting. The review emphasizes catalytic projects, land release for industrial growth, informal economy formalization, red tape reduction, infrastructure enhancement, and green economy activation to boost employment and unlock investment.

This review informed the adoption of five sector strategies—SMMEs, cooperatives, youth, women, and persons with disabilities—now embedded within the 2024/25 LED implementation framework.

Integrated Strategic Enhancements

Strategy	Key Contribution to LED Implementation
SMME Development Strategy (2024)	Aligned with amended Preferential Procurement Policy (2022); strengthens support for financial access, compliance, and contract participation. Updated implementation plan prioritizes resilience-building post-COVID and civil unrest.
Co-operatives Development Strategy	Responds to limited historical support by introducing development pathways, spatial investment guidance, and business capacity interventions to improve cooperative viability.
Youth Empowerment Strategy	Establishes municipal structure and programmes to promote youth employment, entrepreneurship, and skills development, with youth placed at the centre of LED opportunities.
Women Empowerment Strategy	Tackles systemic economic barriers via inclusive hiring promotion, leadership development, financial access, and alignment with recent gender policy reforms.
Economic Empowerment of the Disabled	Promotes infrastructure enhancements and entrepreneurship support, aiming to foster equal participation and policy integration for persons with disabilities.

For 2024/25 financial year, the SMME and Cooperative Development Subunit achieved the following activities:

Number	Key Performance Indicator (KPI)/ Strategy	Annual Target
1.	To facilitate the expansion of job creation initiatives with Msunduzi	1000 jobs created through LED initiatives and Community Works Programme (CWP)
2.	To facilitate Skills Development and Training workshops for SMMEs and Cooperatives	12 x Skills Development and Training workshops facilitated
3.	To conduct site visits to SMMEs and Cooperatives	60 x SMMEs and Cooperatives successfully supported and visited
4.	To facilitate Local Economic Development Forum meetings	4 x LED Forum meetings successfully facilitated
5.	To identify Illegal Street Traders with CBD and surroundings	60 x Illegal Street Traders identified
6.	To facilitate and create business opportunities for local businesses	20 x business opportunities created for local businesses

INFORMAL ECONOMY

The municipality has made significant steps in formalizing the spaza shop sector through a comprehensive registration process, culminating in the creation of a database of all spaza shops operating within the jurisdiction of the municipality. This initiative aims to promote regulatory compliance, enhance business sustainability, and facilitate access to support services. The database will enable the municipality to better understand the sector's dynamics, identify areas for improvement, and develop targeted interventions to support these small businesses. By registering and formalizing spaza shops, we can unlock economic opportunities, improve service delivery, and foster a more vibrant local economy.

In collaboration with key stakeholders such as the Small Enterprise Development Finance Agency (SEDA) and the Department of Small Business Development (DSBD), the municipality has facilitated funding opportunities for spaza shops. Through these partnerships, spaza shop owners have accessed financial assistance, business development support, and mentorship programs. Our efforts have focused on bridging the funding gap and empowering spaza shop owners to grow their businesses, create jobs, and contribute to the local economy. By leveraging these collaborations, we aim to unlock the full potential of spaza shops and foster a thriving entrepreneurial ecosystem.

INFORMAL STREET TRADING

The Msunduzi Municipality as the City recognizes the objective of its existence in terms of the Constitution, which includes –

- To promote social and economic development
- To promote a safe and healthy environment

The City therefore recognizes the need to adopt a developmental approach to enable access to job and entrepreneurial opportunities within the Informal Trading sector, to harmonize the relationship between the Informal Trading sector and the formal trading sector and to facilitate the migration of Informal Trading into the formal trading sector (Upward Migration Programme).

For 2024/25 financial year, the Informal Trade and Street Trading Subunit achieved the following:

- 4 x Skills Development and Training workshops successfully facilitated for Informal Traders
- 40 x Street Traders in the CBD precinct formalized (facilitated and registered) though CIPC.

RURAL AND TOWNSHIP ECONOMY
The municipality has implemented various initiatives to stimulate economic growth in rural and township areas. Through targeted programs, we have supported local entrepreneurs, small businesses, and emerging farmers, providing access to training, mentorship, and funding opportunities. Our rural and township economy initiatives focus on promoting local economic development, creating jobs, and improving the quality of life for residents. By investing in infrastructure and fostering partnerships with stakeholders, we aim to unlock the economic potential of these areas and create a more inclusive and sustainable local economy.

In rural areas, the municipality has prioritized cooperative development as a key strategy for promoting economic growth and social upliftment. Through targeted support programs, we have assisted in the formation and capacitation of cooperatives, providing training, mentorship, and access to funding opportunities. These cooperatives have enabled rural communities to pool their resources, share expertise, and collectively address economic and social challenges. By fostering a thriving cooperative sector, we aim to enhance food security, create sustainable livelihoods, and empower rural communities to take ownership of their economic development.

The Msunduzi Municipal Employment Initiative Funding facilitation
The Municipal Employment Initiative (MEI) is a flagship programme of Msunduzi Municipality aimed at stimulating inclusive local economic development by supporting both formal and informal micro- and small enterprises. Co-funded by EDTEA and the Municipality, MEI delivers asset-based support that enables township and rural businesses to expand operations, create jobs, and improve productivity. Launched in 2022, the initiative prioritises vulnerable groups—including youth, women, and persons with disabilities—through a structured application, evaluation, and procurement process.

The Municipal Employment Initiative (MEI) is implemented in two phases to support micro and small enterprises across Msunduzi Municipality's township and rural areas. Phase One provided equipment and business tools to 43 approved beneficiaries, resulting in substantial employment opportunities and improved productivity across sectors such as catering, digital services, construction, and manufacturing. Beneficiaries included youth-, women-, and disability-led enterprises.

Phase Two followed in the 2024/25 financial year, with 27 additional formal and informal businesses selected through a structured application and prioritization process. Although initial procurement delays were experienced, procurement of 9 beneficiaries has been undertaken. Implementation is progressing, with the service provider appointed. Both phases reflect MEI's central role in promoting inclusive growth, spatial equity, and enterprise development within Msunduzi Municipality's LED Strategy.

MEI - Employment Impact Summary

Phase	Enterprises Supported	Jobs Created	Youth Beneficiaries	Women Beneficiaries	Disabled Persons	Township & Rural Enterprises
Phase 1	43	141	26	18	1	33
Phase 2	27	TBC	7	12	TBC	23
Total	**70**	**141+**	**33+**	**30+**	**1+**	**56+**

JOB CREATION THROUGH CWP* PROJECTS		
Details	**CWP Number of Projects**	**Jobs created through CWP*Projects No.**
2022/2023	16	998
2023/2024	16	1 000
2024/2025	18	1 000

LICENSING
The core function of the business licensing unit is to issue the business licenses in terms of the business Act 71 of 1991.

The primary aim of these licenses and permits is to protect the health and safety of consumers, as well as the environment in which the business operates. This includes compliance with building regulations and public safety and health requirements. By adhering to these regulations, businesses not only ensure their legal operation but also contribute positively to the community.

Ensuring Compliance with Regulatory Requirements:
The unit is responsible for ensuring that businesses operate within the framework of the law and adheres to the regulations and standards set by the government.

Businesses who fail to comply with the legislation, by trading without a license and by contravening their license conditions will be prosecuted"

The unit also embark on an ongoing public awareness campaign to sensitise public to comply with legislation so that measures are in place to protect both the business owners and the public at large.

Challenges:
The critical shortage of tools of trade; computers, colour printers for printing business licenses, vehicles for inspectorate to carry out the regulatory functions thus limiting the collection of revenue related to business licensing.

Business visited for compliance
The business licensing unit has exceeded all the set targets.

ANNUAL TARGET	ANNUAL ACTUAL (accumulated)
720	1 643

Business visited for registration and creation of database achieved

ANNUAL TARGET	ANNUAL ACTUAL (accumulated)
660	1191

100 % of Business licensing application received and processed within 21 days in-terms of the Business Act 71 of 1991

SPECIAL PROJECTS (NDPG): ECONOMIC PLANNING AND INFRASTRUCTURE

The Unit is responsible for the planning, implementation and management of the Neighbourhood Development Partnership Programme [NDPG] that is intended for public investment. The funding is used to attract private, and community investment to unlock the social and economic potential within targeted neglected townships and neighbourhoods. The Unit is also responsible for administering the implementation of CoGTA and EDTEA provincial grant funding intended for LED initiatives.

The Business Unit has been successful in extending the footprint of the NDPG programme through the adoption of an Integration Zone to cover the CBD and Northern Areas. The Business Unit made a consolidated submission for funding to the National Treasury through NDPG to undertake the CBD Regeneration programme. To date an approval to fund Phase 2 of the CBD [Church Street] was approved, currently undertaking preparation work which includes but not limited to maintenance plan and stakeholder management plan.

The challenge has been that most land parcels intended for the Edendale Town Centre development are privately owned and highly invaded with informal settlements. This resulted in the Municipality having to undergo the Land Expropriation process, which lead to a major setback on the development. The land acquisition exercise has contributed to major delays in the construction of some of the roads and other infrastructure in the Edendale town Centre.

The Professional Service Provider was formally appointed in March 2025. As of the current reporting period, the planning phase is being concluded. The appointed consultants are presently in the process of finalizing the technical studies, detailed designs, and cost estimates required for the implementation of municipal infrastructure under the Municipal Infrastructure for Informal Enterprises (MIIE) Programme. This initiative is being undertaken with grant funding approved by the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) for the development of the Ematsheni Street Traders Market.

The unit in conjunction with the Waste Management Unit is at the initial stage towards the development of a pilot Waste to Energy Plant in the New England Road Landfill Site. The National Treasury through NDPP has approved and confirmed the availability of Technical Assistance Grant for the preparation of Waste-to-Energy Pre-feasibility and Feasibility studies. However, the Feasibility Studies will be reviewed upon the Pre-feasibility Study yielding positive results. Additionally, Professional studies are underway with the Inception, Profiling and the Preliminary Assessment reports have been concluded, and the final recommendation report is still to be concluded.

The unit successfully secured funding from the Department of Cooperative Governance and Traditional Affairs (CoGTA) for the refurbishment and development of the Heroes Acre Memorial Park, located in Imbali Township. This project aims to honour the legacy of the liberation struggle. The scope of work includes the installation of perimeter fencing, construction of an ablution facility, and general beautification of the site. A service provider was appointed to undertake the necessary planning studies. The concept plan has been approved, and engineering designs have been submitted for internal approval. Furthermore, the environmental application submitted to EDTEA has been approved, along with the required approvals from Amafa and in terms of SPLUMA. The installation of the perimeter fencing is practically complete. However, the project is currently on hold due to the non-approval of the rollover request.

The Sub-unit is responsible for facilitating spatial planning, land identification, and securing access to premises to support development initiatives. While no property disposals have been concluded to date, a new method for disposing of strategic and residential sites has been identified using a Panel of Auctioneers. The process of appointing this Panel has been successfully finalized.

PROJECT NAME	BUDGET APPROVED	FUNDER	EXPENDITURE (Inc. VAT)	STATUS
Old Edendale Road Upgrade	R20 000 000	National Treasury	R 32 409 925.83	Permission to proceed with Construction received in March 2024 from Funder. Construction works are currently underway, with overall progress recorded at 59.5%.
The Development of Ematsheni- MIIE programme	R3 000 000,00 R1 000 000,00	EDTEA Council	R1 322 302.20	Planning Stage -SPLUMA submitted The planning phase is nearing conclusion, paving the way for the commencement of construction.
New England Bio-Energy project	R700 000 for Pre-feasibility + R2 000 000 for feasibility	National Treasury	R234 266.50	Planning stage - Procurement for Service Provider is being concluded [third attempt]. Professional studies are underway wherein the Inception Report, Profiling Report and Preliminary Assessment Report have been concluded. A final step, being a recommendation, still needs to be concluded.

CITY ENTITIES ANNUAL REPORT 24/25 FY

INTRODUCTION TO CITY ENTITIES

This unit falls under Sustainable Development and City Entities Business unit, which is one of the strategic units within the municipality that its main function is to develop the city. This unit must adhere to legislative framework of chapter 10 in the Municipal
Finance Management act that always ensures transparency.

City Entities is made up of six subunits which are listed below.

1. Airport
2. Market
3. Tourism
4. Art gallery
5. Safe City
6. Forestry.

Airport, Market and Forestry are income generating units within the municipality whereas Tourism and Art Gallery are units that enhance revenue through attraction. Safe City is the first fully established entity that assists the City in bylaw and crime combating efforts.

The airport continues to see an increased level of activity in terms of passenger foot count and traffic movements. Currently the airline, Airlink operates 4 inbound scheduled flights and 4 outbound scheduled flights on weekdays, 2 inbound flights and 3 outbound flights on Saturdays and 3 inbound flights and 2 outbound flights on Sundays. General Aviation and training flights form a large component of the airport operations. There are two fully fledged flight schools. There are also charter flights that operate from Pietermaritzburg airport. The priorities for the business unit are to adhere to the compliance standards as per regulator to ensure the airport license is maintained. The business unit is still in compliance with the regulations and therefore the license was renewed after the annual licencing audit took place in September 2024.

The other priority is to ensure customer satisfaction and experience. The business unit makes sure that all complaints by stake holders are attended to. Maintenance of infrastructure is another priority for the business unit. The business unit undergoes preventative and corrective maintenance on a regular basis. The aircons that were unserviceable were repaired. New aircons were also installed in the control tower, fire station and terminal building. As an income geniting unit the business unit also must enhance its revenue. New advertising agreements were entered into. These advertising agreements increased revenue by a total of R4237 a month totalling R50 844 per annum. The business unit is still making efforts to increase this revenue source.

The business unit also managed to negotiate a higher revenue share of 15% from 7.6% on the parking contract. From this increase approximately R30 000 a month will be realised which is approximately R360 000 a year.

The business unit received grant funding from EDTEA to revise the airport masterplan. The aim is to then develop the airport according to the masterplan recommendations to achieve sustainability for the airport. To give to the community the business unit held a career expo in partnership with Fuze Aviation Academy. This was to bring awareness to learners from previously disadvantaged backgrounds. The business unit plans to make this an annual event, and a report has been presented to council and approved for the 3-year Memorandum of understanding (MOU) between the 2 parties (Pietermaritzburg airport and FAA).

The Tourism Unit plays a strategic role in driving destination marketing, positioning Pietermaritzburg as the City of Choice. During the 2024/25 financial year, the Unit implemented several key projects aimed at supporting the growth and development of the tourism sector within the Msunduzi Municipality. Among the highlights was the successful hosting of major events, most notably the Last Dance Music Festival, a nationally broadcasted event featured across leading media platforms. In addition, a partnership with the KwaZulu-Natal Film Commission led to the production of a major blockbuster film shot at the historic City Hall. The Unit also spearheaded tourism business compliance initiatives in collaboration with both internal and external stakeholders, with the goal of strengthening and legitimizing local tourism offerings. The Tourism unit remains under capacitated however the unit is anticipating the implementation of the new structure , to recruit professional and experienced staff. Plans are in place to execute the revised Tourism strategy whereby implementation begun in FY24/25 .

The Tatham Art Gallery is an Art Museum that serves the visual arts needs of people of KwaZulu-Natal generally and the Msunduzi municipal area in particular. Its core functions are collecting art works of suitable quality to grow the permanent collection; documenting and researching the collections in order to establish a database of relevant information for research purposes; caring for the permanent collection in order that it will be available for the benefit and enjoyment of future generations; displaying exhibitions of quality, based on art works in the permanent collection, and identifying quality exhibitions from further afield and presenting visual arts educational and outreach programmes based on the permanent collections and temporary exhibitions Safe City remains operational with aging infrastructure challenges.

Safe City Msunduzi NPC is an entity of the Msunduzi Municipality with the primary objective to prevent and detect crime and bylaw infringements in camera surveillance areas which are under the jurisdiction of the Msunduzi Municipality. This is to encourage a crime and grime free environment for the benefit of the Municipality's communities, to attract investors and assist in promoting development, tourism and job creation. Safe City monitors a total of one hundred and eighty-four (184) CCTV cameras on a 24/7 basis. Eighty-six (86) cameras are located in the CBD, Freedom Square Taxi Rank, Northdale and Scottsville areas. Ninety-eight (98) cameras are located at eight primary electrical substations. Safe City strives to continue to be a centre of excellence and so maintains an ISO 9001:2015 accreditation. The Safe City control room is the only street surveillance CCTV control room in the country which can boast such an accreditation.

The forestry has been the most challenging subunit. Having been operated for years as an outsourced function, managing it as a municipal unit came immense challenges. A decision to outsource the plantation has been revised and has been approved. The management company SAFCOL was appointed to manage the plantation for the next three years.

EMPLOYEE: CITY ENTITIES					
AIRPORT, GALLERY AND THEATRE, MARKET & TOURISM					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	21	22	21	1	-
T04-T08	30	42	30	12	29

EMPLOYEE: CITY ENTITIES					
AIRPORT, GALLERY AND THEATRE, MARKET & TOURISM					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T09–T13	13	19	13	6	32
T14-T18	4	4	4	-	-
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	69	88	69	19	22
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.					

ORGANIZATIONAL UNITS WITHIN CITY ENTITIES

Pietermaritzburg Airport
Pietermaritzburg airport is a licensed Class 3, category 6 Airfield Rescue and Fire Fighting aerodrome. Civil aviation authorities provide the mechanism by which nations ensure the safety of their skies and operations through safety and security regulation. It is the airport's key role to sell aeronautical services and facilities (i.e. the provision of runways, taxiways, aprons and terminals) to airlines. The airlines then sell their own product onto the passengers. The airport also sells services such as shops and car parks, usually through concessionaires, direct to the passengers, residents and other customers.

Many of the services which make up the composite airport product, such as air traffic control, security, fire and rescue, emergency response and commercial facilities, can be provided either by the airport operator or by a third party. The area where an airport operator has the most control is in the pricing and provision of non-aeronautical services and facilities in the airport terminal and on the surrounding land.

Although these enhanced commercial facilities may well make the airport more attractive, they will play a very minor role in influencing the passenger's choice of airport. However, these non-aeronautical revenues will usually contribute significantly to an airport's overall financial well-being.

Total passenger movements on scheduled flights (both arrival and departure) grew from 89 255 passengers in the 23/24 FY to 110 454 passengers in the 24/25 FY. This is a 24% growth. This is supported by an increase in schedule flights movements (both arrival and departures) from 12667 flights in the 23/24 FY to 13 871 flights in the 24/25 FY which is an 10% increase.

Revenue generated increased from R 13 505 875 in the 23/24 FY to R 17 371 467 in the 24/25 FY. This is a 29% increase.

The airport had the following targets for the 2024/2025 financial year as per SDBIP:
(a) Conduct 12 Local Aviation Security Committee meetings.
(b) Conduct 4 Safety Awareness Workshops.
(c) Complete 1 Management Review Report.

These are a compliance requirement by the regulator. All these targets were met.

Pietermaritzburg Fresh Produce Market
Pietermaritzburg Fresh produce market is the facility management unit which makes it possible for agents to communicate with farmers across the country to send their produce in order to be sold.

This arrangement is very much beneficial to Msunduzi as the municipality because it receive 5% commission for the sales made and also it is beneficial to uMgungundlovu as the district in terms of food security and also to informal business for fruit and vegetables.

Pietermaritzburg fresh produce market successfully implemented the first phase of roof repairs at the sales hall and admin offices.

ART GALLERY
Tatham Art Gallery is an Art Museum that serves the visual arts needs of people of KwaZulu-Natal generally and the Msunduzi municipal area. Its core functions are collecting art works of suitable quality to grow the permanent collection; documenting and researching the collections in order to establish a database of relevant information for research purposes; caring for the permanent collection in order that it will be available for the benefit and enjoyment of future generations; displaying exhibitions of quality, based on art works in the permanent collection, and identifying quality exhibitions from further afield and presenting visual arts educational and outreach programmes based on the permanent collections and temporary exhibitions.

The Gallery's top service delivery priority is presenting regular art exhibitions of high quality. The target for 2024/25 was 8 exhibitions. The Gallery managed to meet its target by presenting temporary and permanent exhibitions this year.

The Education department at the Gallery focused on a teaching programme based on the temporary exhibitions and community awareness campaigns that display. Education team managed to do more than the target in art classes. We also manage to take our outreach programmes to 2 special schools in our community.

TOURISM
The role of tourism is to drive destination marketing of the City of Pietermaritzburg as a city of choice while marketing the unique selling points of Pietermaritzburg through: Events (sports & cultural), Liberation Experiences, Attractions – Architectural and Natural/scenic attractions.

Liaising with local stakeholders both internal and external, ensuring a coordinated effort in the execution of the Tourism mandate.

Below were targets for SDBIP FY24/25
The Tourism unit received R1 000 000 Budget funding for FY2024/25 for project management, which is allocated for Events, Workshops other programmes to be implemented by the Tourism Unit.

Targets
- X7 Msunduzi Tourism events participated in as per the approved tourism events calendar
- X4 SMME Capacity building workshops
- X2 Stakeholders Forums

Safe City
Safe City Msunduzi NPC is an entity of the Msunduzi Municipality with the primary objective to prevent and detect crime and bylaw infringements in camera surveillance areas which are under the jurisdiction of the Msunduzi Municipality. This is to encourage a crime and grime free environment for the benefit of the Municipality's communities, to attract investors and assist in promoting development, tourism and job creation.

In respect of the above our most important service deliverables can be identified as follows:
Detection, prevention or apprehension and conviction of persons responsible for criminal or bylaw infringements. In this regard we nurture a healthy working relationship with the local South African Police Service (SAPS), National Prosecuting Authority (NPA) and Msunduzi Traffic Department

COMMENT ON THE PERFORMANCE OF CITY ENTITIES

AIRPORT
In the financial year of 2024/2025 the business unit received an amount of R500 000 from EDTEA for the revision of the airport masterplan which will then be followed by airport development. This is aimed at improving sustainability and airport capacity.

The business unit appointed Airports Company South Africa to revise the masterplan.

The business unit also had savings and interest from the previous financial year's grant from EDTEA that was used for perimeter fence embedding. In 25/26 FY the business unit aims to attract potential investors through an expression of interest process to start the airport development.

The business unit does not have a permanent Safety Officer as required by the SACAA. The position has been filled by way of secondment of the Safety officer. This position has been catered for in the new organizational structure. The requirement by the SACAA is that there must be a dedicated Electrician and Bird and Wildlife Officer on site. Both these positions have not been filled as required. The position of the Electrician has been catered for in the new structure. The Bird and Wildlife Officer duties have been dedicated to fire and rescue personnel.

There are only 3 general assistants instead of 4 as per current structure. Interviews have been conducted in March 2025, but the post has not been filled. There is an EPWP worker that is assisting the general assistants.

Safety, security and operational efficiency remain paramount to the business unit. The business unit is compliant with the regulatory requirements and thus the license for category 6 was renewed

Successes
- The business unit entered into a Memorandum of agreement with Airports Company SA (ACSA) with the aim of getting assistance on Commercial & Technical Advisory Services; Training; and Airport Management.
- Successfully hosted the airshow and the career expo in partnership with FAA.
- The business unit conducted a rubber removal project to enhance the runway friction for improved braking action for safe operations of aircraft.
- A significant decrease in audit findings was achieved in the annual licensing audit.
- The business unit has complied with the new regulatory requirement to report the pavement strength using the Pavement Classification Rating method.

Challenges
Capacity and operational limitations. With limited space for retail or office leases, revenue potential remains low.

Solutions to challenges
- The business unit is in a process of revising the airport masterplan. After the revision of the masterplan the business unit will start the SCM process to attract investors through the call for expression of interest process.
- The development of will increase capacity which will enhance revenue. The development will also make it possible for other airlines to operate from the airport. There is an opportunity for a low-cost carrier to enter the market.

MARKET

Successes
- The Market Manage to replace 6 Cold-rooms compressors in year 23/24 financial year
- Successfully reduced roof leakage in the sales hall by fixing the box gutters as a temporal remedial plan while waiting for budget to reinstall new box gutters in 2025 fiscal year.
- Market to receive Capital funding to deal with dilapidating roof structure which will split across 3 financial periods (2024/2025 2025/2026 and 2026/2027)

Challenges
The market is also facing a challenge with old machines like forklift and scrubber machine that are old and difficult to repair but the report to council has been drafted with a three-year strategy with aim to correct all the problems.

ART GALLERY
We managed to incorporate days of commemoration in our national calendar as part of service delivery to our communities and involve communities We have review the strategic planning for the Gallery to be suitable for all interesting activities

Failures
Our outreach programs still need to improve for the benefit of school learners

TOURISM

Successes
The Tourism Unit formed part of the LOC for the 30 Years of democracy celebrations took place 04-06 November 2024, where the Deputy Minister in The Presidency, Mr Kenny Morolong, KZN provincial and local government representatives along with private sector embarked on an outreach campaign commemorating the 30 Years of Freedom and Democracy which was celebrated under the theme: "30 Years of Democracy, Partnership and Growth". A few Pietermaritzburg heritage sites were visited.

The Unit also welcomed the Film crew from Mrs. Plum production that shot a time-based film in the City of Choice. The unit recognizes the importance of film tourism as it drives interest and visits to destination PMB which in turn creates demand for local goods & tourism services. The opportunity was result of good relationships established with the KZN Tourism & Film Authority.

The Tourism database collection happened, to ascertain the current offering in the city in terms accommodation and establishment services, also identify gaps in terms of compliance. The unit is partnership with the Town Planning department conducted a very comprehensive training with identified non-compliant Tourism stakeholders to create awareness and capacity, also providing solutions pertaining to matters plaguing the industry.
The successful execution of the Last Dance music event which contributed an estimated R62 million direct impacts in the Pietermaritzburg economy with 20 000 attendees compared to an audience of 14 411 in the 2023 festival.

Challenges
Inadequate staff complement – x1 Manager, x1 secondment and interns whose contracts ended 30 June 2025 – this has an adverse effect on work continuation plus the adoption of major projects: The unit is in the process to have x3 staff seconded from other units while waiting for the implementation of the Organizational Structure.

Tourism continues to be viewed as an unfunded mandate – Tourism development and promotion require investment: The Tourism unit has requested for more funding towards programs and projects prescribed in the Tourism Strategy however also in the process to seek funding from external sources.

SAFE CITY

Successes
The performance of Safe City is monitored constantly and as all targets, which were set for the 2023/2024 financial year, have been achieved with some of the targets exceeded. Several media releases in respect of successes achieved by surveillance operators were published in the media. Safe City has managed to continuously engage with its operational partners thus ensuring that crime and bylaw incidents detected are being attended to. However, in this regard there is still much room left for improvement in response times as well as the percentages of attendance to incidents detected.

Safe City continues to maintain an ISO 9001:2015 accreditation. This certification was renewed due to the diligence of the control room. This certification adds considerable credibility to footage and evidence provided in respect of criminal and other matters which requires an investigation and or conviction. Safe City has the necessary capability to identify vehicles with outstanding traffic warrant of arrest fines through the Automatic Number Plate Recognition system (ANPR). When utilised in conjunction with the Traffic Dept this system has resulted in significant successes.

Challenges
Safe City urgently needs a dedicated Msunduzi response team which will swiftly respond to municipal bylaw infringements detected on camera, such as littering, illegal posting of posters and road traffic ordinance incidents on a 24/7 basis. Furthermore, a dedicated Municipal Traffic team will therefore also ensure that outstanding traffic revenue is recovered and will also contribute to motorists abiding to traffic laws.

Due to the effectiveness of the system a drastic shift in reported crime continues to be observed. An average more the 90% of reported crime in the Pietermaritzburg Central precinct occurs out of camera view areas. Areas not under surveillance has now been targeted such as the Edendale Business centre and Chatterton Road business precinct. There is therefore an urgent need to continue to expand the current CCTV surveillance footprint so that this crime effected areas can be safeguarded.

The current street surveillance system, which has been in operation since January 2003, is an analogue system which no longer adequately meets the needs of our operational partners. The current electrical substations surveillance system is a digital system which includes Video Analytics. However, the majority of the street surveillance system has no such features. Video Analytics permit the camera operator to effectively monitor more cameras whilst the analogue cameras need to be operated by hand. Crucially, spares for the analogue system can no longer be obtained over the counter and have to be custom made which drastically increases repair costs. Safe City needs to urgently upgrade its Control Room in order to stay abreast with newer technology. The Joint Operational Centre also needs to be upgraded in order to enhance decision making processes during JOC sessions.

Safe City must endeavour to ensure that its staff benefits such as salaries, subsidies and other allowances are near equal to the benefits which Msunduzi Municipal staff receive. In order for this to implemented, Safe City's annual budget must be adjusted accordingly.

FORESTRY

Successes
The management company managed to harvest the total of 4738 m3 which amount to a total of R 2 018 517 quarter four.

The management company managed to appoint security company that will look after the plantation to prevent issues like theft.

Challenges
The Management company is still having some challenges with insurance due to condition of the plantation, but they are working hard to have plantation to comply with.

INTRODUCTION TO TOWN PLANNING AND ENVIRONMENTAL MANAGEMENT

EMPLOYEE: TOWN PLANNING AND ENVIRONMENTAL MANAGEMENT					
BUILDING CONTROL, ENVIRONMENTAL HEALTH, ENVIRONMENTAL MANAGEMENT, GEDVI, LAND SURVEY & TOWN PLANNING					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	32	34	29	5	-
T04-T08	10	18	10	8	44
T09–T13	66	150	72	78	52
T14-T18	21	28	21	7	25
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	130	231	133	98	42
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.					

(a) The opportunity of Town Planning & Environmental Management is to be able to work hand in hand with the communities in their attempts to achieve service delivery and make their life successful within their environment. Town Planning and Environmental Management deals with areas that need intervention by making sure that areas change for the betterment of people who are staying within those areas.

(b) The Unit have various Sections which focus on the enforcement of bylaws, creating a livelihood in which people can live, work and play in an environment which is suitable for human settlement.

(c) The other focus is to provide services to the residents of the City by purchasing land for the provision of services, which include services like the provision of houses, roads and others together with proper land tenure rights like the provision of the ownership by resolving land legal issues.

(d) This is also one of the forefront Unit which engages various stakeholders, not limited to the ratepayers, but also engaging Amakhosi by preparing strategic plans within the areas which falls under the Ingonyama Trust Board.

(e) The Unit also monitors the followings:

ORGANIZATIONAL UNITS WITHIN TOWN PLANNING AND ENVIRONMENTAL MANAGEMENT

BUILDING CONTROL

INTRODUCTION TO BUILDING CONTROL

The Building Control Section monitors building construction in the Msunduzi Municipality boundaries. This is achieved by compliance with the National Building Regulations and Building Standards Act, 1977, the SANS 10400 and Problem Building by-law.

In accordance with our SDBIP targets, building control has to adhere to the below:

- 95% of Building Plan Applications <500m2 to be processed for approval by the Plan Approval Committee within an average of 30 days from date of receipt of the application by the 30th of June 2025.
- 100% of (447) Building Plan Application <500m2 processed for approval by the plan Approval Committee within an average of 18 days from date of receipt of the application by the 30th of June 2025.
- 646 x building contraventions inspections conducted for illegal building works by the 30th of June 2025.

Unit Challenges

Shortage of Building Inspectors limits the area covered by the current inspectors as the ratio is +/- 30000 (thirty thousand households) per inspector, this results in monitoring of areas being inadequate which culminates to financial loss in council as illegal extensions/additions are not rated accordingly. Tools of trade (computers/laptops, scanners, landlines, furniture, electronic measuring tapes).

Office space for new staff members, this will hinder growth of the unit and current office conditions are potentially hazardous to staff health and wellbeing.

APPROVED BUILDING PLANS FOR THE PERIOD 1 JULY 2024 TO 30 JUNE 2025																
	1			3			2	4			5			6		
	Residential Dwelling Houses Passed			Other Residential-Flats, Hotels Etc			RPD Passed	Non-Residential- Private Sector			Non-Residential- Public Sector			Alteration & Additions-All Buildings		
Month	No.	Area	Cost (R)	No	Area	Cost (R)	RPD Passed	No.	Area	Cost (R)	No.	Area	Cost (R)	No.	Area	Cost (R)
JULY	10	1633	12,420,000.00	-	-	-	-	1	250	7,000,000.00	-	-	-	30	1814	13,440,000.00
AUGUST	11	2227	17,350,000.00	-	-	-	-	1	2123	7,000,000.00	-	-	-	37	3423	22,380,000.00
SEPTEMBER	9	3015	20,370,000.00	2	3564	50,500,000.00	-	1	4381	15,000,000.00	-	-	-	24	1904	14,014,000.00
OCTOBER	7	1443	10,260,500.00	1	246	1,800,000.00	-	2	913	7,500,000.00	-	-	-	25	2679	16,888,000.00
NOVEMBER	2	644	4,700,000.00	-	-	-	-	3	788	4,800,000.00	-	-	-	22	1730	10,315,000.00
DECEMBER	1	842	5,000,000.00	-	-	-	-	-	-	-	-	-	-	17	1250	10,510,000.00
JANUARY	3	933	6,750,000.00	-	-	-	-	-	-	-	-	-	-	13	910	4,485,000.00
FEBRUARY	1	439	3,500,000.00	-	-	-	-	-	-	-	-	-	-	16	1260	9,742,000.00
MARCH	3	2494	17,000,000.00	-	-	-	-	2	616	6,000,000.00	-	-	-	31	1774	1,065,000.00
APRIL	6	1804	13,200,000.00	2	9824	83,000,000.00	-	-	-	0.00	-	-	-	27	3288	16,984,000.00
MAY	2	460	4,000,000.00	-	-	-	-	2	4863	48,000,000.00	-	-	-	21	2258	15,955,000.00
JUNE	8	2920	23,750,000.00	-	-	-	-	3	1764	12,000,000.00	-	-	-	24	1968	12,717,000.00
TOTAL	**63**	**18854**	**138,300,500.00**	**5**	**13634**	**135,300,000.00**	**-**	**15**	**15698**	**107,300,000.00**	**-**	**-**	**-**	**287**	**24258**	**148,495,000.00**

INTRODUCTION TO ENVIRONMENTAL HEALTH

Environmental Health encompasses those aspects of human health, including quality of life that is determined by physical, chemical, biological, social and psychosocial factors in the environment. It also refers to the theory and practice of assessing, correcting, controlling and preventing those factors in the environment that can potentially affect adversely the health of present and future generations. Environmental Health Services includes:

Water Quality monitoring, Food control, Waste management, Surveillance of premises, Communicable diseases control, Vector control, Environmental pollution control, Disposal of the Dead, Chemical safety and Noise Control.

The service delivery priorities focused on water quality monitoring, food quality and safety, and air quality monitoring.

SERVICE DELIVERY PRIORITY (1): WATER MONITORING
Monitoring water quality of potable, surface and ground water, ensuring water safety and accessibility in respect of a safe quality (microbiological, physical and chemical) and an adequate quantity for domestic use as well as in respect of the quality for recreational, industrial, food production and any other human or animal use. This was achieved by sampling and testing water in the field and examining and analysing it in the Unit's laboratory, as well as advocating for proper and safe water usage and wastewater disposal.

SERVICE DELIVERY PRIORITY (2): FOOD CONTROL
Ensuring food safety in respect of acceptable microbiological and chemical standards, quality of all food for human consumption and optimal hygiene control throughout the food supply chain from the point of origin, all primary raw material or raw products production, up to the point of consumption. This was achieved by inspecting food production, distribution and consumption areas; monitoring informal food trading; inspecting food premises and any nuisances emanating there-from; by applying food quality monitoring programmes and principles through various techniques, e.g. Hazard Analysis and Critical Control Points System (HACCP System) audits; and promoting the safe transportation, handling, storage and preparation of foodstuffs, including meat, milk and their products.

SERVICE DELIVERY PRIORITY (3): ENVIRONMENTAL POLLUTION CONTROL
Ensuring hygienic working, living and recreational environments; identifying the polluting agents and sources of water, air and soil pollution; ensuring clean and safe air externally (ambient and point sources) through emission inventory monitoring, modelling and toxicological reports, reviews and complaint investigations; and taking the required preventative measures to ensure that the general environment is free from health risks. This was further achieved by ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade, etc., which involves controlling the internal effects of pollution on the worker, and the external effects of pollution on the community and the environment.

SERVICE STATISTICS FOR ENVIRONMENTAL HEALTH

DESCRIPTION	TARGET	ACHIEVED
No. of Complaints investigated	Dependent on no. received	193
No. of Trade Licence application processed	Dependent on no. received	1 017
No. of Water samples from rivers/streams	800	884
No. of Water samples from reservoirs, consumer points	1 020 samples	1 223 samples
Percentage compliance with SANS 241:2015 NB: SANS are national standards that replaced SABS(South African Bureau of Standards) 241: 2015 relates to drinking water	100%	98.6 %
Swabbing: No of swabs and food samples	960 food samples and swabs	960 food samples and swabs
Percentage compliance with microbiological standards:	100%	27%
No. of Inspections and Registrations of Funeral Undertakers in terms of the Funeral Undertakers' Regulations:	60 premises	65 premises
No. of Food premises inspected and registered in terms of R962 (Food Regulations):	2 600	3 901
No. of Vector Control investigations, treatment and baiting	17 000 sites	18 690 sites
No. of Premises inspected for compliance with Tobacco Legislation:	3 000 premises	5 421 premises
No. of Places of care inspected:	500 premises	701 premises inspected
No. of Health Care Waste generators inspected:	500 premises	652 premises
No. of Commercial, industrial and residential premises inspected	8 200 premises	8 971 premises
No. of Schedule processes/listed activities:	192 premises	204 premises
No. of Health Education sessions conducted	960	998
Permit Applications Processed	560	1 017
No. of Notices issued	Dependent on contraventions	243 notices
No. of Prosecutions instituted	Dependent on contraventions	504 prosecutions

COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL HEALTH OVERALL:
Environmental Health Services continued to be provided without funding from National Treasury. With a limited budget and diminishing resources the nine functional areas relating to environmental health services as defined in the National Health Act, No. 61 of 2003 were carried out to ensure effective and efficient service delivery within the areas of Msunduzi. Enforcement activities were escalated to at least twice weekly during the reporting period. Joint enforcement activities have been conducted nationally with South African Police due to reports of food poisoning cases in the country. One of the service delivery priorities focusing on, viz. water quality monitoring, continued for the purposes of Blue Drop status accreditation. The departmental laboratory was used for the monitoring of water and food quality, as well as swabbing to determine standards of hygiene at food premises.

Despite the many challenges experienced, all three (3) Air Quality Monitoring Stations of the City's Air Quality Monitoring Network was functional, and data on criteria pollutants monitored is available for the 2024/2025 financial year. However, on the 25th of January 2025, the South African Weather Services (SAWS) suffered a cyber security breach of its information and communication technology (ICT) systems. The Environmental Health Unit had been liaising with National air quality officials, as well as SAWS to have the issue resolved as soon as possible. This affected access to data and data management for the reporting period.

The Environmental Health Unit has consulted the National/Provincial Air Quality Officials for assistance with regards to the above challenges. All stations are in working order though.

ENVIRONMENTAL MANAGEMENT
Environmental Management is a sub-unit of the Town Planning & Environmental Management Unit. The Environmental Management Sub-Unit has five primary functional areas these being: (1) Biodiversity and Open Space Planning, (2) Environmental Planning, Policy Implementation and Review, (3) Environmental Education and Training, (4) Impact Mitigation, Assessment, Compliance Monitoring and Enforcement and (5) Climate Change Planning and Adaptation. Existing policies and plans guide the functions and decision-making processes within the Sub-Unit and include the following: Integrated Environmental Management Policy (IEMP); Environmental Status quo Report; Strategic Environmental Assessment (SEA); Environmental Management Framework (EMF); and Strategic Environmental Management Plan (SEMP). The sub-unit currently consists of 7 Environmental Scientists, and admin staff.

The purpose of the Environmental Management Unit is to guide development in a sustainable manner and promote compliance within the municipal area, in alignment with Environmental Legislation, policies, plans and guidelines.

This is achieved by:

Providing Biodiversity and Open Space Planning Services
- Conduct assessments / investigations and ensure compliance with all environmental legislation, by-laws and statutory legislation
- Coordinate the implementation of and revising the biodiversity component Environmental Management Framework (EMF) and Strategic Environmental Assessment for the Municipality.
- Oversee the preparation of environmental plans and offset agreements related to Biodiversity.
- Provide input into, and comment on Biodiversity specialist reports associated with environmental impact assessments (including Basic Assessment Report (BAR); Scoping Reports & Environmental Impact Assessment (EIA)) and policies such as the Msunduzi EMF
- Compile Rehabilitation plans.
- Coordinate specific administrative and reporting requirements associated with the key performance and result indicators of the functionality
- Provide Geographic Information System (GIS) services

Providing Planning Policy Implementation and Review services
- Contribute towards the preparation and implementation of an Environmental Management System (EMS) for Service Delivery activities.
- Develop practical, implementable and measurable Standard Operating Procedure (SOPs) for municipal line functions e.g. Electricity/ Engineering.
- Coordinate the Tender Process by compiling terms of reference.
- Revise EMF documentation and Strategic Environmental Assessment for the City.
- Oversee the preparation of environmental plans for specific areas or activities in the city.

- Undertake sustainability appraisals of all municipal plans, policies and programs

Providing Impact Mitigation Assessment, Compliance Monitoring and Enforcement Services
- Conduct assessments / investigations and ensures compliance with all environmental legislation, by-laws and statutory legislation.
- Review and evaluate all development proposals and applications against environmental legislation and municipal plans and policies.
- Interacts internally and externally on specific issues related to Environmental projects
- Conduct Investigations and research on respective Standard Operating Procedure Topics and Environmental Management.
- Attending compliance promotions with external departments.
- Providing Climate Change Planning, Mitigation and Adaptation Services
- Develop practical, implementable and measurable mitigation and adaption strategies for climate change risks and opportunities, which can be mainstreamed into all municipal planning and functions.
- Create spatial carbon emissions inventory for the city using GIS based data.
- Develop a municipal Climate Change policy and mainstream climate change strategies into all municipal planning and functions.
- Report on national and international platforms with regards to projects being implemented / proposed that relate to climate change and greenhouse gas reduction

Providing Administrative services
- Book venues & organize catering for meetings and functions.
- Maintain records and process correspondences and remittals.
- Prepare and maintains weekly and monthly productivity reports.
- Attend to members of the public

Climate Change

Msunduzi Municipality has been responding on the Carbon Disclosure Project (CDP) questionnaires since 2012. This involves providing information of essential work that the city is doing / implementing aimed at reducing the City's carbon footprint and opting for improving sustainability in operational activities. It also involves providing information on specific threats and challenges that the City faces in terms of climate change impacts and steps to be taken in terms of ensuring climate resilience.

By reporting on the CDP platform, officials can better understand the principles for climate action planning in cities, report information pertaining to data collection and reporting strategies at a local level. The Environmental Management Unit is able to provide information on the CDP reporting process and ensure that additional Climate Change strategies are included in future planning for the city.

Currently, Msunduzi Municipalities Environmental Management Unit has registered on the CDP site, and reports Msunduzi's City data relating to climate change impacts annually. There is a need to ensure that Msunduzi responds to CDP and that data is updated, as this is an action, which has been identified in the Msunduzi Municipality's Approved Climate Change Policy (2015). Information is gathered from various business units during the reporting period, on projects / programs / plans that have been implemented / in planning stages.

As stated by CDP "Disclosure helps cities see the risks and opportunities of climate change for its citizens and business communities. Disclosing environmental data through CDP Cities has a huge number of advantages, from improved engagement to centralizing data and tracking progress. CDP provides cities with all publicly available data, evaluates your response, benchmarks your performance against peers and finds areas of opportunity for your city". This ultimately improves and increases the city's overall response to tackling climate change concerns and assists in the implementation of adaptation and mitigation strategies

Benefits of using CDP:
- Providing a framework: Benchmark your city's actions against your peers through our Cities Analytics tool.
- Expand your reach: Using the platform is free and voluntary. There is no prescribed methodology, and cities can disclose publicly or privately.
- Results: Tools and guidance are always available through workshops, webinars and documentation.

GEDVI

GEVDI is a subunit that deals with a myriad of developmental issues. In the main, GEVDI deals with the acquisition of private land for the redevelopment of the greater Edendale area. The Greater Edendale area is confronted by many lands legal impediments that the subunit is also tasked with addressing. The other facet of GEVDI is to drive planning in the GEVDI area through the formulation of strategic plans, technical advice and planning individual projects. GEVDI is also responsible for the planning of NDPG projects in the Edendale area and implementing the urban network strategy as defined in various policy documents within the GEVDI region.

GEVDI dealt with many projects and other service delivery initiatives, below are some of the key projects on Infrastructure Delivery, Service Delivery and Economic development objectives:

What are some of the challenges?
- There was a 3-month delay in the Framing of the Edendale General Plan and getting Surveyor General Approval Project due to a discrepancy in the approved Layout Plan. The service provider had to re-submit an amended layout plan to the Municipality.
- The appointment of Land adjustment commissioners has not been finalized by the Department of Agriculture, Land Reform and Rural Development and poses a challenge for finalization of compensation for landowners
- The signing of the addendum to state land has not been finalized and affects the completion of the state land transfer for all properties

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COMMENT ON THE PERFORMANCE OF TOWN PLANNING AND ENVIRONMENTAL MANAGEMENT

Successes
- Finalization of the Geotechnical Study Report for the Edendale Town Centre.
- Registration of the General Plan of the Edendale Town Centre.
- Secured MEC approval for Expropriation of the final Batch of properties under the 2020 Business Plan of the Edendale Private Land Acquisition Programme.
- Transferred 109 properties under municipal ownership in Edendale through the Edendale Private Land Acquisition Programme.

Failures
- Unable to register Certificate of Registered Title for Phase 1 Edendale Town Centre

Include the plan to prevent failures from recurring
The municipality to write to the Surveyor General to request expedited approvals for municipal projects.

LAND SURVEY
This unit performs various functions related to land and this include the following:

- Dealing with the establishment of new townships and minor subdivisions of land
- Provide required cadastral advice on land development matters.
- Provide engineering survey services to various departments for Municipal projects.
- Manage cadastral data for the city.

With respect to point a) above – various approvals, manly for private and government developments, which range from smaller to larger type developments. In addition, various comments were provided to applications for other subdivisions and land development applications.

With respect to point b), several building plans were processed, and the unit was involved in the provision of cadastral support to the public and internal departments as and when queries arise, provision of plans for property related matters such as disposal and acquisition. Approximately 1000 plans are processed annually.

This unit also manages cadastral data for the city, which feeds and supports other departments such as Finance, Planning, Human Settlements, and Environmental Management. Infrastructure Services also depends largely on spatial data for planning of their services.

A cadastral data update project was advertised by SCM on the 2nd of October 2024. These projects assist various departments in the city, as cadastral dataset forms the foundation of decision making on land. However, the BAC recommended that the bid be re-advertised because the pricing schedule was rather ambiguous. A new report to this effect is being prepared, in collaboration with the Real Estate as this unit also has similar activities that could be incorporated into the same data management contract. Thus, contract has been re-advertised, and the tender is closing end of August 2025. This unit has a 3-year contract with ESRI SA, to provide the Municipality with various categories of GIS software, GIS professional services including training. The service provider has installed the server software, and individual user licenses has installed on various capable users. A Geoportal viewer has been developed, but only accessible to employees. Various departments are now starting to participate in the improving their datasets, that will later be incorporated into the GIS.

The Unit is continuously involved in the title deed restoration programme by assisting the appointed conveyancers in issuing clearance certificates as required by the Registrar of Deeds. A number of SPLUMA clearance certificates are issued to owners and developers by this section.

With limited resources, the unit manages the Wayleaves section through two seconded employees. Various inspections were done wherein they were issues reported.

TOWN PLANNING

The main role of the Town Planning department is to ensure the implementation of the Spatial Planning and Land Use Management Act No.16 of 2013, Municipal Systems Act, and other relevant planning legislations through spatial planning and land use management. The Town Planning department is also responsible for planning and preparation of a Land Use Scheme, Spatial Development Framework (SDF), planning policies, planning By-laws, development projects in terms of the IDP, strategies associated with the formulation of a Spatial Development Framework (SDF), and other spatial framework plans.

Consequently, in complying with section 24 of the Spatial Planning and Land Use Management Act No.16 of 2013, the Town Planning department successfully adopted a single land use scheme in 2022 and has also reviewed the Msunduzi SDF in accordance with section 20 of the Spatial Planning and Land Use Management Act No.16 of 2013 and the Municipal Systems Act on the same year.

In addition, the Town Planning department is currently reviewing the Msunduzi Spatial Planning and Land Use Management Bylaw (2021) and the Northern Areas Local Area Plan for this Financial year. These two projects are currently being done internally as part of cost-containment measures that promote the reduction of outsourcing projects.

APPLICATIONS FOR LAND USE DEVELOPMENT						
Detail	Formalisation of Townships		Rezoning		Built environment	
	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025
Planning application received	25	31	45	83	18	45
Determination made in the year of receipt.	25	25	40	46	16	25
Determination made in the following year.	-	6	2	35	2	20
Applications withdrawn	-	-	3	2	-	-
Applications outstanding at the year-end.	-	-	-	-	-	-

Town Planning Inspectorate
The regulation and enforcement of land uses within the jurisdiction of the Msunduzi Municipality is the responsibility of the Town Planning Business Unit. The Town Planning unit has a dedicated team consisting of 6 Town Planning Inspectors. The functions and powers of the Inspectors are expressly defined under Section 32 of the Spatial Planning and Land Use Management Act 2013, read with the Msunduzi Municipality's Spatial Planning and Land Use Management Bylaw 2021.

During the 2024/2025 financial year, the Town Planning Enforcement unit conducted the following activities:

- Land use inspections within the Msunduzi Jurisdiction = Approximately 5500 (both complaint-based and random).
- Issued SPLUMA Notices more than 232.
- Summons and written notices = approximately 6
- Properties referred to Real Estate Department for rate change to unauthorized = 65

Furthermore, the Town Planning enforcement section generated revenue of approximately R3 095 072 from enforcement of unauthorized land Uses.

Comments on Town Planning's Performance:
During the 2024/2025 financial year, the Town Planning Department completed the Review of the Msunduzi Municipality's SPLUMA Bylaws, and Final Draft Northern Area Local Area plan and implementation plan. These accomplishments represent significant milestones that will enhance development processes and ensure adherence to national legislation.

Furthermore, the Town Planning Department effectively addressed capacity challenges by successfully recruiting two GIS officers, two Town Planning Inspectors, and one Town Planner in the 2024/2025 fiscal year.

CHALLENGES
The critical challenges within the Town Planning department include:
- Non-availability of office Space to accommodate additional staff due to the sharing of office space with other departments.
- High staff vacancies within the Town Planning enforcement section affect the functioning of the department.
- The insufficient availability of essential tools for daily operations, such as laptops and telephones, is impacting productivity. This challenge arises from the lack of a capital expenditure budget for their procurement.
- Insufficient budget allocation for building maintenance, including the installation of air conditioning,

RECOMMENDATIONS
- To address the office space issue, a Minute must be prepared to escalate the matter to the relevant Deputy Municipal Managers.
- Priority posts must be filled in the current financial year. If there is an insufficient budget, these posts must be included in the budget for the next financial year.

A formal report will be prepared for the Council's consideration to request an adequate budget allocation for the following purposes: building maintenance, the installation of air conditioning units within the Town Planning offices, and the procurement of essential tools for trade. This request will be submitted to the Council before the mid-year budget allocation process

COMMUNITY SERVICES

INTRODUCTION TO AREA BASED MANAGEMENT
Area Based Management unit interacts with almost all Msunduzi Municipal business units, as well as other stakeholders within and outside government. It is the mandate of the unit to assist communities in speeding up service delivery and to promote community participation.

ZONE 1 VULINDLELA AREA
Vulindlela Area Based Management (ZONE 1) is made up of 11 municipal wards whose leadership is dual in nature. The traditional leaders which are chiefs and headmen form the local traditional council. The traditional leadership own the rural land and largely responsible to resolve community disputes. Then the municipal council are voted into power by people democratically. They work side by side with the traditional authority to drive development.

VULINDLELA AREA ABM STRUCTURE

Area Manager	Mr. Lucky Mbatha
Community Development Facilitator	Five
Ward Profiler	One
Senior Administration Officer	One
Senior Clerk	One
Caretakers (Halls/Facilities)	Five
Hall Assistant	One
Social Worker (Shared between Vulindlela & Imbali)	One
Community Worker (Placed from HIV/AIDS)	One

CHALLENGES
Community Based Plans reveals that there are a myriad of challenges facing Vulindlela Area Based Management which include:
- Scarcity of water.
- Shortage of land for e.g. livestock and housing
- Crime e.g. stock theft, house breaking etc.
- Drug abuse
- Population is burgeoning, hijacking etc.
- Network challenges
- Joblessness rate is increasing with so many unemployed graduates.
- Teenage pregnancy is prevalent.
- Elderly abuse
- Domestic violence
- School violence
- Poverty
- Lack of agricultural equipment to plough the land.
- Natural disasters e.g. floods, drought, wildfires etc.
- High school dropout rate.
- Illegal taverns
- Illegal dumpsites
- Lack of information because the rural wards are distantly far from information centres e.g. libraries.
- Political interference
- Defaulter rate increases
- Land ownership (disputes)
- Suspicious witchcraft (people found dead)
- Illegal power connections
- Recreational facilities are no adequate

- Vandalism of government property

VULINDLELA OPERATIONAL WARD STRUCTURE/AREAS

WARD (Areas)	WARD COUNCILLOR	CONTACT
1	Khulekani Msomi	073 304 5375
2	Mbongeni Zuma	071 548 0665
3	Skhanyiso Makhaye	072 110 7893
4	Mlungisi Zondi	083 947 2453
5	Nkosinathi Mbanjwa	071 366 0106
6	Kwazikwakhe Madonda	079 938 3650
7	Bukelani Zuma	072 098 4796
8	Mshushisi Mshengu	073 983 8723
9	Themba Ngubane	067 236 7078
39	Sibusiso Mkhize	084 425 8533
40	Jabu Ngubo	079 606 0103

GOVERNMENT SERVICES

The following are the main government services that are predominant in the area:

- Department of Social Development
- Department of Education
- Department of Correctional Services
- South African Police Services
- Msunduzi Municipality
- Constituency Office
- Department of Health

SERVICE STATISTICS FOR AREA BASED MANAGEMENT

NUMBER OF WARD BASED PLANS DEVELOPED IN 24/25 FY	WARDS IN WHICH PLANS WHERE DEVELOPED IN 24/25FY	NUMBER OF WARD BASED PLANS REVIEWED IN 24/25 FY	WARDS IN WHICH PLANS WHERE REVIEWED IN 24/25 FY
11	1, 2, 3, 4, 5, 6, 7, 8, 9,39 and 40	11	1, 2, 3, 4, 5, 6, 7, 8, 9,39 and 40

ZONE 2 - EDENDALE AREA

BACKGROUND

Edendale area consists of 8 wards, it is semi-rural area, population of is estimated to. In terms of Development, need for housing and acquisition of land is still an issue. Most Edendale citizen are unemployed due to lack of skills, therefore training is needed for them to be employable.

EDENDALE ABM STRUCTURE

EDENDALE OPERATIONAL WARD STRUCTURE/AREAS

WARD	AREAS	WARD CLLR.	CONTACT
10	Pata Area	CLLR THEMBA NGUBANE	067 236 7078
11	Snathing Area	CLLR SANELE ZUMA	065 979 8890
12	Edendale (Esigodini, Georgetown area, Moscow, Nencu, Skomu Khosela)	CLLR NKOSINATHI MASOEU	081 403 6406
16	Pata/Unit J	CLLR BHEKABANTU ZUMA	078 251 4585
20	Caluza/Smero	SPHIWE “GXI” PHUNGULA	060 438 0982
21	Dambuza	SBONGUMUSA”SHOTA” ZUMA	079 342 8026
22	Machisa/Unit 3 Imbali	CLLR THEMBA ZONDI	082 428 9088
23	Ashdown/Peace Valley	CLLR DUMISANI B PHUNGULA	083 328 8328

What Edendale ABM does, targets met and challenges faced

Government Services

The following are the main government services that are predominant in the area:

- Grant registration related cases (SASSA)
- Social-related cases/interventions (Department of Social Services)
- Crime Prevention (SAPS)
- Identity documents related intervention (Home Affairs)

EDENDALE AREA OFFICE:

Targets:

SERVICE STATISTICS FOR AREA BASED MANAGEMENT

NUMBER OF WARD BASED PLANS DEVELOPED IN 24/25 FY	WARDS IN WHICH PLANS WERE DE-VELOPED IN 24/25 FY	NUMBER OF WARD BASED PLANS REVIEWED IN 24/25 FY	WARDS IN WHICH PLANS WERE REVIEWED IN 24/25 FY
8	10,11,12,16,20,21,22 and 23	8	10,11,12,16,20,21,22 and 23

Challenge:

1. Crime

2. Drug addiction
3. Teenage pregnancy
4. Unemployment
5. Skills Development
6. Gender Based Violence

IMBALI ANNUAL REPORT 2024/2025

What Imbali ABM does, targets met and challenges faced

ZONE 3 - IMBALI AREA

Imbali Area Based Management constitutes of 7 wards 13,14,15,17,18,19&41.Imbali is the vast populated township which is situated in the periphery of the southern parts of Msunduzi Municipality that is engulf with social ills, high unemployment, poverty, increasing informal settlements, high teenage pregnancy, gender based violence, crime and substance abuse.

SERVICE STATISTICS FOR AREA BASED MANAGEMENT

NUMBER OF WARD BASED PLANS DEVELOPED IN 24/25 FY	WARDS IN WHICH PLANS WERE DEVELOPED IN 24/25 FY	NUMBER OF WARD BASED PLANS REVIEWED IN 24/25 FY	WARDS IN WHICH PLANS WERE REVIEWED IN 24/25 FY
7	13, 14, 15, 17, 18, 19 & 41	7	13, 14, 15, 17, 18, 19 & 41

Challenges

1. Crime: Mass killings
2. Drug addiction
3. Teenage pregnancy
4. Moral degeneration
5. High rate of unemployment

Zone 4 – CENTRAL

EASTERN, ASHBURTON, CENTRAL AREA OFFICE

The Eastern, Ashburton, Central area office is based in Ashburton. It is located in Msunduzi Municipality's inner demarcation. It is constituted by eight (8) wards It covers the following areas:

- Grange, Westgate, Oribi, Southlands, Ridge Park, Bisley, Fairmead,
- Peace Valley, Napierville, Prestbury, Clarendon, Blackridge, Boughton,
- Wembley, Upper and Lower CBD,
- Alexandre Road area, Jika-Joke informal Settlement, Manor, Scottsville,
- Sobantu, Lincoln Meade, Mountain Rise, Maryville, Woodstock, Hollingwood, Willowton, Scottsville,
- Pelham, Mkondeni, Cleland, Ashburton, Hayfields, Lynnfield Park, Sacca Informal Settlements,
- Glenwood, Thembalihle, Tamboville and Bishopstone

Zone 4 is a largely suburban areas with a concentration of top schools, tertiary institutions and businesses. The area has been engulfed by informal settlements in an around and thus high level of unemployment and poverty.

OPERATIONAL WARD STRUCTURE/AREAS

WARD & AREAS	WARD CLLR.	CONTACT
24	Mr. J. Nkabini	082 403 4562
26	Mr. S. Ross	076 882 8101
27	Mr. D. Kemp	081 788 2528
33	Ms. S. Reddy	084 508 5130
35	Mr. S. Dlamini	081 538 8101
36	Mr. D. Roberts	081 375 9338
37	Dr. E. Elliot	082 417 9435
38	Mr. G. Dlamini	071 720 0708

GOVERNMENT SERVICES

The following are the main government services that are predominant in the area:

- Water
- Electricity
- Waste Collection
- Dump sites
- Social grants
- Health services
- Housing

What Central ABM does, targets met and challenges faced

The unit continues to conduct ward audits monthly. It reviews its ward plans with relevant stakeholders and community members. The public participation policy is presented before these stakeholders and community members.

SERVICE STATISTICS FOR AREA BASED MANAGEMENT

NUMBER OF WARD BASED PLANS DEVELOPED IN 24/25 FY	WARDS IN WHICH PLANS WERE DEVELOPED IN 24/25 FY	NUMBER OF WARD BASED PLANS REVIEWED IN 24/25 FY	WARDS IN WHICH PLANS WERE REVIEWED IN 24/25 FY
8	24, 26, 27, 33, 35, 36, 37 & 38	8	24, 26, 27, 33, 35, 36, 37 & 38

Challenges

Ward committees

- Non-participation in community program e.g. meetings, war room etc. Most of the committee members are employed which makes it difficult for them to execute their mandated duties.
- Lack of consistence workshop training from/by speaker's office.
- Financial support in the form of airtime for ward committee members.
- Lack of frequent communication between ward councillors and ward committees.

ZONE 5 NORTHERN AREAS

BACKGROUND

The Northern Areas (Zone 5) of the Msunduzi Municipality is made of 07 wards. It is referred to as the former Indian coloured area. However, this demographic has changed over the years with almost half the residents being African. This zone has the largest concentration of informal settlements in Msunduzi such as Site 11, Nkululeko, Nhlalakahle, and Swapo to name a few. This zone has a mini-CBD called Raisethorpe and the Industrial Manufacturing area of Willowton and surroundings. The infrastructure (roads, water etc.) is decayed as most of it are almost half a century old.

Challenges:

- Unemployment.
- Crime and Substance Abuse.
- Teenage pregnancy.
- Poor Service Delivery (Illegal dumping, grass cutting, dilapidated infrastructure, overcrowding)
- Lack of formal houses.
- Congestion of Informal settlements.
- Health Challenges.

SERVICE STATISTICS FOR AREA BASED MANAGEMENT

NUMBER OF WARD BASED PLANS DEVELOPED IN 24/25 FY	WARDS IN WHICH PLANS WERE DEVELOPED IN 24/25 FY	NUMBER OF WARD BASED PLANS REVIEWED IN 24/25 FY	WARDS IN WHICH PLANS WERE REVIEWED IN 24/25 FY
7	25, 28, 29, 30, 31, 32 & 34	7	25, 28, 29, 30, 31, 32 & 34

NORTHERN AREA ABM STRUCTURE

- Area Manager: Mr Anwar Hoosen
- Facilitators: Four Community Development Facilitator
- Administrator: 1
- Senior Clerk: 1
- Caretakers: 7
- General Workers / Hall Assistants: 4
- Ward Profiler: 1

NORTHERN AREA OPERATIONAL WARD STRUCTURE/AREAS

WARD	& AREAS	WARD CLLR.	CONTACT
25	Chase Valley, Montrose, Wembley, Athlone	Reggy Khanyile	081 770 5129 068 333 9206
28	Bombay Heights, Belfort, Northdale, Mountview, Nkululeko, craft place, Mayfair, Shamrock	Renesha Sign	068 112 5102
29	Copesville, Swapo A & B, Pakis, Honeyville, Skomplas, Mason	Sphamandla Madlala	048 019 1397
30	Brixham, Orient Heights, Darjeeling Heights, Dunveria, Raisethorpe and Ezinketheni	Rachel Soobiah	084 809 2306
31	Bombay, Northdale, Raisethorpe, Nhlalakahle, Mountview, Balhambra Extension	Roksana Ahmed	065 802 8728
32	Woodlands, Site 11, Happy Velly, Thuthuka Velly, Yellowwood Park and Lower CBD.	Garth Middleton	073 515 0970
34	Eastwood, Cinderella, Panorama 1 & 2, Honeyville, Madiba	Roy Ram	082 679 0496

SERVICE STATISTICS FOR HIV/AIDS AND SOCIAL SERVICES

TEN DAYS HIV/AIDS COUNSELLING COURSE	FOUR DAYS HIV/AIDS PEER EDUCATION	SOCIAL SUPPORT PROGRAMMES	WARD VISITS
Eleven Trainings	Seven Peer Education	Four Hundred And Twenty	One Hundred And Ninty Nine
HIV/Aids Counselling And Testing	Social Work Counselling		

Achievements

- Counselling and testing are conducted successfully in most patients.
- More patients are willing to start the antiretroviral treatment (motivated by physical well-being of those who are already on treatment.
- Reduced number of new infections.
- Fewer defaulters as patients are no longer supposed to take many tablets.

Challenges

- Patients still visit the institution for testing without having Identity documents and insist on testing.
- Positive patients visit different institutions with the hope of receiving negative results (shopping testing).
- Patients who have been exposed to HIV/AIDS virus have tendency of believing that they are immune to the HIV virus when they tested negative.
- Patients that test HIV negative and those who have little understanding of HIV/AIDS tend to assume that they will always test negative and become reluctant to counselling before testing.
- Transport problem to accompany patient that tested HIV positive to the institutions where they are going to access their treatment.

Education and Training

- 2024-2025 Financial year, 11 trainings done

- 2024-2025 Financial year 07 peer education training

Achievements

- Training 10 days
- More members of the community had been trained on Ten Days Counselling Course who then became ambassadors of HIV/AIDS and thus disseminate information starting from home and throughout their communities.
- Numbers of newly infected clients is gradually decreasing and there is hope for 2030 HIV/AIDS FREE generation.
- Some lucky trainees get employment from other stakeholders like departments and NGOS.
- Good working relationship with all available Msunduzi stakeholders had been established.
- Improved physical and Psycho –social relationship in families, school children, working environment etc. had established.

Challenges

- There was an increased workload but shortage of staff leading to backlog and burnout syndrome.
- Inability to make decision based on work being done as there is always a need to constantly approach and engagement management before implementation of programs and that tend to delay and change everything.
- Lack of budget for planned programmers leading to:
- poor or improper implementation of such programs.
- Backlog and delay in issuing required certificates

Social Work Services

Achievements

- The success and effectiveness of public awareness.
- More programs have been implemented since the increased number of social workers.
- Community members get assisted and appreciate the services provided and boost self-esteem of the service provider.

Challenges

- Delayed referral response from partner stakeholders like department of social development.
- Increased working hours due to increased client challenges like increased drug abuse and gender-based violence.
- Too challenging problems of clients that consume more time and energy leading to anxiety provoking situation and frustration.
- Lack of debriefing session despite such challenging work situations.
- Home based care groups were formed in wards 40 and 32
- Ward 30 Ezinketheni Siya Phumelela group started poultry farming with the help of from youth for Christ and other stakeholders are now selling eggs and vegetables as income generating project
- Department of Health recruited some of these Home Based Care Givers as Community Health Care Givers

Challenges

- Shortage of Home-Based Care kit made it very difficult for Home Based Care volunteers to perform their daily duties. The order was placed last September, but nothing came
- It's very difficult for the volunteers to do home visits, because they don't have any identification showing that they are HBC volunteers

Home Based Care volunteers are getting discouraged because since 2 000 when they started this program they are not getting anything from Municipality

CAPITAL EXPENDITURE FOR 2024/2025 FINANCIAL YEAR

DESCRIPTION OF PROJECT	AMOUNT ALLOCATED	AMOUNT SPENT/ USED	PERCENTAGE END OF THE YEAR (%)
PPE- Furniture	150 000.00	125 989.00	84%
Computer equipment	419 111.00	419 099.17	100%
Machinery	150 000.00	125 989.00	84%
Transport / Asset	1 132 000.00	1 115 932.93	99%

EMPLOYEE: AREA BASED MANAGEMENT					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	23	55	18	37	67
T04-T08	30	54	36	18	33
T09–T13	40	48	42	6	13
T14-T18	4	6	6	-	-
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	98	164	103	61	37

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.

PUBLIC SAFETY, ENFORCEMENT & DISASTER MANAGEMENT

ORGANIZATIONAL UNITS WITHIN PUBLIC SAFETY ENFORCEMENT & DISASTER MANAGEMENT

DISASTER MANAGEMENT

INTRODUCTION TO DISASTER MANAGEMENT

Disaster management as defined by the Disaster Management Act No. 57, 2002 is a continuous and integrated multi-disciplinary and multi-sectoral process of planning and implementation of measures aimed at:

(a) preventing or reducing the risk of disasters,
(b) mitigating the severity of disasters,
(c) emergency preparedness,
(d) a rapid and effective response to disasters, and
(e) Post-disaster recovery and rehabilitation.

Disaster Management is an administrative, organisational; and operational planning processes; capacities aimed at lessening the impacts of natural hazards and related environmental, technological and biological disasters. The core strategic objective of Disaster Management is to save lives, property, and the economy through creating awareness, developing resiliency in communities for preparedness for various possible devastating occurrences, and coordinating stakeholders to play their role in all phases of Disaster Management (Prevention, Mitigation, Preparedness, and Response & Recovery).

Section 44 (1) (a) of the Disaster Management Act 57 of 2002A states that a municipal centre must specialise in issues concerning disasters and disaster management in the municipal area; (b) must promote an integrated and coordinated approach to disaster management in the municipal area. Section 43(3) of the Act concludes that a local municipality must establish capacity for the development and coordination of a disaster management plan and the implementation of a disaster management function for the municipality. This then allows the Disaster Management Centre to be the primary functional unit for the disaster risk management in each municipality.

Throughout the year, the Unit has made significant strides in strengthening the disaster management function, governance, risk assessment, capacity-building, emergency response coordination, and community engagement. The Msunduzi Disaster Management Centre set itself several goals for the year. This was monitored through the SDBIP:

- The review of the Msunduzi Municipality Disaster Management Plan to align with the amended Act and the national guideline on the *"Development and Structure of a Disaster Management Centre"*.
- Conduct the Local Disaster Management Advisory Forum per quarter (total of four)
- Conduct a minimum of 24 Disaster Awareness Campaigns to strengthen disaster risk reduction and preparedness.

SERVICE STATISTICS FOR DISASTER MANAGEMENT

During the 2024/2025 financial year, several incidents of various types of disasters was attended to and as per below:
Total number of incidents: 1233
Total number of People affected: 4529
Total number of Families affected: 1233
Total number of homeless: 168
Cost of relief in relation to emergency supplies: R 232113
Total Number of Events attended: 47

DISASTER MANAGEMENT SERVICE DATA		
	Details	2024/2025
1	Total incidents attended in the year	1 233
2	Total number of events standby attended in the year	47
3	Total fire-related incidents	106
4	Total weather (rain hail, strong winds) related incidents attended in the year	1 127
5	Total Disaster Staff in post at year end	22

EMPLOYEE: PUBLIC SAFETY ENFORCEMENT & EMERGENCY SERVICES					
DISASTER MANAGEMENT, FIRE SERVICES, TRAFFIC & SECURITY					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01–T03	5	9	3	6	67
T04-T08	224	424	208	216	51
T09–T13	187	322	173	149	46
T14-T18	20	36	24	12	33
T19-T22	1	1	-	1	100
T23-T25	-	-	-	-	-
Total	437	792	408	384	48

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.

FIRE & RESCUE SERVICES

Fight or extinguish a fire and rescue of life or property from a fire or other danger:
Early and timeous response to fire and rescue incidents is critical for life and property saving measures to be effective. To improve turnout times to incidents the Municipality has started the process which should see two more fire stations opened in the vast Vulindlela area and Northdale suburb of the City, however due to financial constraints these projects have been placed on hold. Whilst staff shortages are a challenge this is combated by a constant attempt to ensure that a minimum manning standard is complied with on a daily basis, even at the expense of overtime costs.

Prevent the outbreak and spread of fire and the protection of life or property from fire or other threatening danger:
The dedicated Fire Prevention officers ensure that all new building development applications are in compliance with the City by-laws, National Building Regulations and SANS 0400 codes of practice for fire safety in buildings. Existing infrastructure is also subject of daily scheduled and ad-hoc inspections for fire safety compliance.

Basic fire and life Safety Training:
The Fire Prevention Officers undertake regular scheduled training with hospitals, commerce and industry in order to impart basic fire safety training in the use of first aid firefighting equipment.

The Public Education Section engages schools and communities in a drive to ensure basic fire and life safety awareness and skills are imparted at a rudimentary scale, mostly by meetings, attendance to community structures and visitations to schools, and, of schools to fire stations. Whilst this basic intervention is still not enough it is imperative that communities are aware of the fire service and services it offers, how to access these services, and what it is that they can do to provide basic first aid fire safety protection to themselves.

Fire Training Academy
Our Training Academy is registered as an accredited LGSETA training institution. During the 2024/2025 financial year recruit firefighters from the District Council underwent Firefighter 1 and Firefighter 2 basic firefighting courses. Our training academy continues to do in-service training for our firefighters. Our 16 Intern firefighters have completed 1 year of in-service training as firefighters as per the two (2) year Firefighter Learnership program.

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL
The lack of fire stations servicing the extreme areas of the municipality is a cause for concern due to the risks attached to the delayed response times from fire stations which are a fair distance from these areas. This is further exacerbated by the time-of-day response (peak periods etc.) and could have an impact on the ability to effectively protect life and property. New fire stations must be built at Vulindlela, Northdale and at Ward 39 in order to mitigate delayed response times.

The severe staff shortage has a direct impact on the morale of the fire staff, safety, and overtime budget implications to maintain an effective service. Vehicles repair and maintenance is negatively impacted by poor supply chain processes which fail to recognize emergency fire vehicle repairs as emergency/urgent in terms of MFMA Supply Chain Management (SCM)

FIRE SERVICE DATA				
	Details	2022/2023	2023/2024	2024/2025
		Actual No.	Actual No.	Estimate No.
1	Total fires attended in the year	912	889	889
2	Total of other incidents attended in the year	242	170	170
3	Average turnout time – urban areas	16	14.5	14.5
4	Average turnout time – rural areas	35	30.5	30.5
5	Fire fighters in post at year end	66	67	67
6	Total fire appliances at year end	12	12	12
7	Average number fire appliances off the road at year end	6	8	8

TRAFFIC DEPARTMENT

Msunduzi Traffic Police Introduction
Msunduzi Traffic Department provide a free flow of traffic, relieve congestion at gridlock intersections and minimize occurrence of accidents in hotspots locations.

Ensure effective Law Enforcement and By Law Enforcement within the Jurisdiction of Msunduzi Municipality

Traffic department Priorities
By-law enforcement Officers:
- School learner's road crossing (Morning, Midday and Afternoon)
- Traffic flow, Pedestrian crossing and General Municipal bylaws

Traffic Wardens: By-law enforcement Officers:
- School learner's road crossing (Morning, Midday and Afternoon)
- Traffic flow, Pedestrian crossing and General Municipal bylaws

Traffic Officers:
- Traffic Control- Maintain free flow of Traffic, Law Enforcement
- Escorting of Abnormal Loads, Escorting of VIP's and Diplomats, Traffic control for events
- Hold Vehicle check points, Participate in joint Operation and Multi-Disciplinary operation / Roadblocks
- Patrol N3 freeway between Hilton off Ramp on Ramp and Mbumbulu off Ramp on Ramp currently due to N3 freeway construction as Msunduzi Municipality in collaboration with RTI and Durban Metro Police we Patrol & Monitor the N3 on daily basis to show Traffic visibility, identify accidents and Road Traffic Infringement and to respond to accidents that happens within the freeway construction Area s Lion Park Truck Stop monitoring for Obstruction

Measures taken to improve performance
Shift Change to accommodate a need of required Manpower. To deal with daily challenges of Traffic

Major efficiencies achieved by the Business Unit during the year
New graduate of Traffic Officers from Traffic Training Collage adding to our current Manpower

TRAFFIC

CO-Functions and Responsibilities
The department of Public Safety helps ensure a safe environment and improve the quality of life through effective Traffic policing combined with efficient use of security officers. Traffic services include:

1. Control and regulate all forms of Traffic, promote education and training on the road and traffic safety.
2. Attend scenes of motor vehicle collisions and assist with traffic control, removal of injured persons and removal of vehicles so that traffic may glow freely again.
3. Eliminate points of congestion, obstruction, hindrance, interference or danger to vehicles and pedestrians.
4. Driver licence Test Centre and Registration help to provide effective issuing of valid driver's licences and Professional Drivers permits.

SERVICE STATISTICS FOR TRAFFIC					
	Details	2022/2023	2023/2024		2024/2025
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	349	+/-220	+/-126	+/-468
2	Number of by-law infringements attended	226	+/-400	+/-324	+/-350
3	Number of police officers in the field on an average day	26 Traffic Officers 24 Traffic Wardens		26 Traffic Officers 24 Traffic Wardens	+/-20 T/O
4	Number of police officers on duty on an average day	28 Traffic Officers 26 Traffic Wardens		28 Traffic Officers 26 Traffic Wardens	+/-25 T/O

MUNICIPAL SECURITY

INTRODUCTION
The Security sub-unit serves as a Reactionary Unit that is deployed to defuse potential volatile situations. The Unit is responsible for stabilizing situations when normal law enforcement is insufficient. For example, to counter land invasions and relocations, Human Settlement – Occupation of prescribed land, the safeguarding of Municipal buildings in situations that may be volatile e, Illegal Dumping/ Trading, Nuisance Bylaws – invited to assist with forced removals, Protest marches / crowd management during public gathering and demonstrations and Monitoring town and removing homeless people in the CBD.

SERVICE STATISTICS FOR SECURITY					
	Details	2022/2023	2023/2024		2024/2025
		Actual No.	Estimate No.	Actual No.	Estimate No.
1.	Number of SECURITY INCIDENTS during the year	52	60	38	60
2.	Number of by-law infringements attended	211	250	119	250
3.	Number of SECURITY officers in the field on an average day	49	48	45	44
4.	Number of SECURITY officers on duty on an average day	50	46	43	45

CHAPTER 7: CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

General Information

Legal form of entity	Category B Municipality in terms of section 12 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) read with section 155(1) of the Constitution of the Republic of South Africa (Act 108 of 1996) and Municipal Finance Management Act No. 56 of 2003.
Nature of business and principal activities	The primary function of Msunduzi Local Municipality is to provide basic services i.e. water, electricity, sanitation and refuse to the Msunduzi jurisdiction. Msunduzi Local Municipality is controlled by a Mayor, Deputy Mayor, Speaker, Chief Whip, ten Executive Committee members, the Accounting Officer and five General Managers who contribute to day-to-day management.
Legislation governing the municipality's operations	Municipal Finance Management Act (Act 56 of 2003) The Constitution of the Republic of South Africa (Act 108 of 1996) Municipal Structures Act (Act 117 of 1998) Municipal Systems Act (Act 32 of 2000) Municipal Property Rates Act (Act 6 of 2004) Division of Revenue Act (Act 1 of 2007) Municipal Demarcation Act (Act 27 of 1998)
Executive Committee	Mayor - Mzimkhulu Thebolla Deputy Mayor - Mxolisi Mkhize Bongumusa Nhlabathi Ntombizethu Precious Sokhela Phumelele Phahla Prudence Nokuthula Msimang Ross Strachan Thinasonke Dennis Ntombela Chuma Mandilake Wakeni Zanele Ngcobo
Councillors	Speaker - Nomagugu Eunice Majola Chief Whip - Sandile Dlamini Municipal Public Accounts Committee Chairperson - Zwelinjani Magubane Autrina Nomathemba Phungula Ayanda Brenda Ngcobo Beatrice Nombuyiselo Mkize Bhekukwenza Mkhize(resigned) Bongani Dumsani Mbona Bukelani Ephraim Zuma Busani Edward Zuma Dorcas Mkhize Douglas Leslie Roberts Dumisani Bernard Phungula Dr Edith Elliott Garth F.W. Middleton Gladness Mncwango Godman Nkosivelile Dlamini Hamilton Zondi Haroon Kemp Jabulisile Joyce Ngubo Khulekani Msomi Kwazikwakhe Madonda Lungile Ruth Mgaga Mahomed Shameel Rahman Mbongeni Jetro Shezi Mbongeni Zuma Mbusiswa Hencefort Mkhize Mduduzi Caswell Mshengu Michael Bhekabantu Zuma Mphilisi Instance Ndlovu Msawenkosi Bhengu Mshushisi Ngubane Nkosinathi Masoeu Nkosinathi Mbanjwa Nomalady Dlela Nomfundo Ndlovu Nomusa Wendy Mncube Philisiwe Sithole Pretty Nelisiwe Maphanga

	Rachel Soobiah Randall John Adams Regina Zinhle Ngubo Reginald Xolani Khanyile Renisha Singh Rienus Niemand Rooksana Ahmed Roy Ram Sandile Gcabashe Sandra Patricia Lyne Sanele Protas Mpulo Sanele Russel Zuma Sbongumusa Zuma Siboniso Sithole Sibusiso Chonco Sibusiso Alfred Mkhize Simphiwe Buthelezi Sinenhlanhla Love-Joy Ndlovu Sinothi Jerome Nkabini Siphamandla Madlala Siphiwe Phungula Skhanyiso Makhaye Stanley Ntuthuko Mncwabe Suraya Reddy Thandanani Ntombela Thandiwe Mkhize Themba Cyril Ngubane Thembile Precious Mzila Thembinkosi Zondi Tholakele Cele Tholakele Ignetia Dlamini Victoria Mavie Phungula Vusi Percival Ngwenya
Grading of local authority	Category - B
Accounting Officer	Simon Felani Mndebele
Chief Finance Officer (CFO)	Nelisiwe Margaret Ngcobo
Registered office	The City Hall 260 Church Street Pietermaritzburg 3201
Business address	The City Hall 260 Church Street Pietermaritzburg 3201
Postal address	The City Hall Private Bag X321 Pietermaritzburg 3200
Controlling entity	Msunduzi Local Municipality
Economic entity	Safe City Msunduzi NPC
Bankers	First National Bank
Auditors	The Auditor General of South Africa
Telephone	(033) 392 2002
Facsimile	(033) 392 2208

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ABBREVIATIONS

ASB	Accounting Standards Board
COID	Compensation for Occupational Injuries and Diseases
CPI	Consumer Price Index
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
FNB	First National Bank
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
KZN	Kwazulu Natal
ME's	Municipal Entities
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
NATIS	National Traffic Information System
NJMPF	Natal Joint Municipal Pension Fund
NPA	Natal Provincial Administration
PAYE	Pay As You Earn
UIF	Unemployment Insurance Fund
VAT	Value Added Taxation

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

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

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

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

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

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

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

Although the accounting officer is primarily responsible for the financial affairs of the municipality, she is supported by the economic entity's audit committee, internal and external auditors.

The external auditors are responsible for independently reviewing and reporting on the economic entity's consolidated annual financial statements. The consolidated annual financial statements have been examined by the economic entity's internal auditors.

1 certify that the salaries, allowances and benefits of councillors as disclosed in note 52 of these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution, read with Remuneration of Public Officer Bearer Act and the Minister of Provincial and Local Governments determination in accordance with this Act.

The consolidated annual financial statements set out on page 6-202, which have been prepared on the going concern basis, were approved by the accounting officer on 30 September 2025 and were signed on its behalf by:

Simon Felani Mndebele
Accounting Officer

Pietermaritzburg
Tuesday, 30 September 2025

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

		Economic entity		Controlling entity	
Figures in Rand	**Note(s)**	**2025**	**2024 Restated***	**2025**	**2024 Restated***
Assets					
Current Assets					
Inventories	3	496 502 530	488 614 832	496 502 530	488 614 832
Other financial assets	4	24 093 935	23 584 673	24 093 935	23 584 673
Other debtors	5	10 540 275	9 490 858	10 537 775	9 488 358
Statutory receivables	6	317 134 596	279 036 924	317 134 596	279 036 924
VAT receivable	23	612 935 476	487 410 348	613 474 290	487 882 716
Consumer debtors	7	913 500 721	809 946 522	913 500 721	809 946 522
Cash and cash equivalents	8	746 661 229	495 992 735	744 557 180	490 954 799
		3 121 368 762	**2 594 076 892**	**3 119 801 027**	**2 589 508 824**
Non-Current Assets					
Agricultural assets	10	95 800 000	82 700 000	95 800 000	82 700 000
Living resources	9	446 481	534 40	446 481	534 407
Heritage assets	11	333 415 152	332 566 492	333 415 152	332 566 492
Intangible assets	12	32 577 975	24 753 170	32 577 975	24 753 170
Investment property	13	928 429 205	922 391 726	928 429 205	922 391 726
Property, plant and equipment	14	7 609 457 805	7 173 029 950	7 603 295 760	7 166 168 267
		9 000 126 618	**8 535 975 745**	**8 993 964 573**	**8 529 114 062**
Total Assets		**12 121 495 380**	**11 130 052 637**	**12 113 765 600**	**11 118 622 886**
Liabilities					
Current Liabilities					
Consumer deposits	15	167 101 606	152 357 428	167 101 606	152 357 428
Other financial liabilities	16	35 059 080	50 311 361	35 059 080	50 311 361
Taxes and transfers payable (non-exchange)	17	9 211 529	12 566 995	9 211 529	12 566 995
Payables from exchange transactions	18	2 980 868 175	2 302 436 604	2 984 441 095	2 301 411 213
Provisions	19	5 765 323	6 160 124	5 765 323	6 160 124
Employee benefit obligation		20 47 332 000	47 035 001	47 332 000	47 035 001
Unspent conditional grants and receipts	21	110 991 318	189 843 028	110 991 318	189 843 028
		3 356 329 031	**2 760 710 541**	**3 359 901 951**	**2 759 685 150**
Non-Current Liabilities					
Other financial liabilities	16	315 531 725	116 274 950	315 531 725	116 274 950
Provisions	19	44 537 726	44 650 093	44 537 726	44 650 093
Employee benefit obligation	20	649 005 001	572 205 000	649 005 001	572 205 000
Payables from exchange transactions	22	1 066 353 963	925 331 133	1 066 353 963	925 331 133
		2 075 428 415	**1 658 461 176**	**2 075 428 415**	**1 658 461 176**
Total Liabilities	**5**	**431 757 446**	**4 419 171 717**	**5 435 330 366**	**4 418 146 326**
Net Assets		**6 689 737 934**	**6 710 880 920**	**6 678 435 234**	**6 700 476 560**
Accumulated surplus	24	6 358 722 973	6 485 355 449	6 347 420 273	6 474 951 089
Capital replacement reserve	25	7 256 781	5 017 454	7 256 781	5 017 454
Housing development fund	26	219 182 311	115 932 148	219 182 311	115 932 148
Revaluation reserve	27	104 575 869	104 575 869	104 575 869	104 575 869
Total Net Assets		**6 689 737 934**	**6 710 880 920**	**6 678 435 234**	**6 700 476 560**

STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE 2025

Figures in Rand	Note(s)	Economic entity 2025	Economic entity 2024 Restated*	Controlling entity 2025	Controlling entity 2024 Restated*
Revenue					
Revenue from exchange transactions					
Agency services	28	3 013 565	2 666 696	3 013 565	2 666 696
Interest - consumer debtors and receivables	29	426 881 732	325 984 044	426 881 732	325 984 044
Interest - bank,call and investment accounts	30	34 134 776	44 348 305	33 902 227	44 117 781
Licences and permits	31	2 127 135	2 021 123	2 127 135	2 021 123
Operational revenue	32	38 520 340	53 620 001	38 520 340	53 620 001
Rental of facilities and equipment	33	31 377 367	33 590 329	31 377 367	33 590 329
Rendering of services	34	14 249 482	13 730 662	14 249 482	13 730 662
Sale of goods	35	793 679	972 487	793 249	972 081
Service charges	36	4 945 306 529	4 111 508 348	4 945 595 208	4 111 771 439
Total revenue from exchange transactions		**5 496 404 605**	**4 588 441 995**	**5 496 460 305**	**4 588 474 156**
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	37	1 696 664 605	1 359 045 336	1 696 664 605	1 359 045 336
Interest from non-exchange receivables	38	135 058 566	106 873 226	135 058 566	106 873 226
Transfer revenue					
Government grants & subsidies	40	1 369 604 942	1 252 162 634	1 369 604 942	1 252 162 634
Fines, Penalties and Forfeits	39	43 099 579	55 857 217	43 099 579	55 857 217
Other transfers	41	3 172 232	602 361	3 172 232	602 361
Total revenue from non-exchange transactions	**3**	**247 599 924**	**2 774 540 774**	**3 247 599 924**	**2 774 540 774**
Total revenue		**8 744 004 529**	**7 362 982 769**	**8 744 060 229**	**7 363 014 930**
Expenditure					
Bad debts written off	42	(8 967 184)	(22 523 583)	(8 967 184)	(22 523 583)
Bulk purchases	43	(3 061 987 658)	(2 714 396 462)	(3 061 987 658)	(2 714 396 462)
Debt impairment	44	(1 231 878 009)	(1 026 931 832)	(1 231 878 009)	(1 026 931 832)
Depreciation and amortisation	45	(324 279 413)	(359 807 002)	(323 614 022)	(359 059 558)
Employee related costs	46	(1 702 890 615)	(1 684 898 650)	(1 689 831 274)	(1 672 958 239)
Finance costs	47	(112 366 200)	(77 071 736)	(112 366 200)	(77 071 736)
General expenses	48	(979 350 682)	(927 211 578)	(979 119 340)	(927 047 947)
Inventory consumed	49	(1 167 322 597)	(877 711 525)	(1 167 260 596)	(877 662 945)
Operational costs	50	(175 160 797)	(174 761 508)	(173 795 159)	(173 647 451)
Operating leases	51	(24 834 839)	(36 098 463)	(24 823 529)	(36 087 365)
Remuneration of councillors	52	(58 382 286)	(58 622 292)	(58 382 286)	(58 622 292)
Transfers and subsidies	53	(1 954 117)	(11 210 527)	(18 386 498)	(25 237 273)
Total expenditure		**(8 849 374 397)**	**(7 971 245 158)**	**(8 850 411 755)**	**(7 971 246 683)**
Operating deficit		**(105 369 868)**	**(608 262 389)**	**(106 351 526)**	**(608 231 753)**
Gains/(losses) on disposal of assets		(5 179 130)	(13 689 367)	(5 095 812)	(13 584 185)
Fair value adjustments on investment property	56	10 536 000	196 900	10 536 000	196 900
Remeasurements - employee benefits obligation	55	(30 158 977)	16 692 958	(30 158 977)	16 692 958
Fair value on agricultural assets	57	22 930 672	11 198 051	22 930 672	11 198 051
Impairment loss	58	(13 619 200)	(2 788 217)	(13 619 200)	(2 788 217)
Excess in provision liability	19	6 506 950	29 430 504	6 506 950	29 430 504
Inventories losses	59	(5 392 476)	(2 534 098)	(5 392 476)	(2 534 098)
		(14 376 161)	**38 506 731**	**(14 292 843)**	**38 611 913**
Deficit for the year		**(119 746 029)**	**(569 755 658)**	**(120 644 369)**	**(569 619 840)**

STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2025

Figures in Rand	Revaluation reserve	Housing development fund	Capital replacement fund	Total Reserves	Accumulation surplus / deficit	Total net assets
Economic entity						
Balance at 01 July 2023	**104 575 869**	**110 558 452**	**4 605 111**	**219 739 432**	**7 460 801 384**	**7 680 540 816**
Changes in net assets						
Prior year adjustments	-	-	-	-	(398 238 365)	(398 238 365)
Transfer to CRR	-	-	23 439	23 439	-	23 439
Transfer from HDF	-	(1 689 312)	-	(1 689 312)	-	(1 689 312)
Net income (losses) recognised directly in net assets	-	(1 689 312)	23 439	(1 665 873)	(398 238 365)	(399 904 238)
Surplus for the year	-	-	-	-	(569 755 658)	(569 755 658)
Total recognised income and expenses for the year	-	(1 689 312)	23 439	(1 665 873)	(967 994 023)	(969 659 896)
Interest earned on investment	-	7 063 008	388 904	7 451 912	(7 451 912)	-
Total changes	-	5 373 696	412 343	5 786 039	(975 445 935)	(969 659 896)
Restated* Balance at 01 July 2024	**104 575 869**	**115 932 148**	**5 017 454**	**225 525 471**	**6 485 355 449**	**6 710 880 920**
Changes in net assets						
Transfer to CRR	-	-	1 769 139	1 769 139	(1 697 129)	72 010
Transfer from HDF	-	(1 468 967)	-	(1 468 967)	-	(1 468 967)
Transfer to HDF	-	100 000 000	-	100 000 000	-	100 000 000
Net income (losses) recognised directly in net assets	-	98 531 033	1 769 139	100 300 172	(1 697 129)	98 603 043
Surplus for the year	-	-	-	-	(119 746 029)	(119 746 029)
Total recognised income and expenses for the year	-	98 531 033	1 769 139	100 300 172	(121 443 158)	(21 142 986)
Interest earned on investment	-	4 719 130	470 188	5 189 318	(5 189 318)	-
Total changes	-	103 250 163	2 239 327	105 489 490	(126 632 476)	(21 142 986)
Balance at 30 June 2025	**104 575 869**	**219 182 311**	**7 256 781**	**331 014 961**	**6 358 722 973**	**6 689 737 934**
Note(s)	27	26	25			
Controlling entity						
Balance at 01 July 2023	**104 575 869**	**110 558 452**	**4 605 111 219**	**739 432**	**7 450 261 206**	**7 670 000 638**
Changes in net assets						
Prior year adjustments	-	-	-	-	(398 238 365)	(398 238 365)
Transfer to CRR	-	-	23 439	23 439	-	23 439
Transfer from HDF	-	(1 689 312)	-	(1 689 312)	-	(1 689 312)
Net income (losses) recognised directly in net assets	-	(1 689 312)	23 439	(1 665 873)	(398 238 365)	(399 904 238)
Deficit for the year	-	-	-	-	(569 619 840)	(569 619 840)
Total recognised income and expenses for the 12 months	-	(1 689 312)	23 439	(1 665 873)	(967 858 205)	(969 524 078)
Interest earned on investment	-	7 063 008	388 904	7 451 912	(7 451 912)	-
Total changes	-	5 373 696	412 343	5 786 039	(975 310 117)	(969 524 078)
Restated* Balance at 01 July 2024	**104 575 869**	**115 932 148**	**5 017 454**	**225 525 471**	**6 474 951 089**	**6 700 476 560**
Changes in net assets						
Transfer to CRR	-	-	1 769 139	1 769 139	(1 697 129)	72 010
Transfer from HDF	-	(1 468 967)	-	(1 468 967)	-	(1 468 967)
Transfer to HDF	-	100 000 000	-	100 000 000	-	100 000 000
Net income (losses) recognised directly in net assets	-	98 531 033	1 769 139	100 300 172	(1 697 129)	98 603 043
Deficit for the year	-	-	-	-	(120 644 369)	(120 644 369)
Total recognised income and expenses for the year	-	98 531 033	1 769 139	100 300 172	(122 341 498)	(22 041 326)
Interest earned on investment	-	4 719 130	470 188	5 189 318	(5 189 318)	-
Total changes	-	103 250 163	2 239 327	105 489 490	(127 530 816)	(22 041 326)
Balance at 30 June 2025	**104 575 869**	**219 182 311**	**7 256 781**	**331 014 961**	**6 347 420 273**	**6 678 435 234**
Note(s)	27	26	25		24	

CASH FLOW STATEMENT AS AT 30 JUNE 2025

Figures in Rand	Note(s)	Economic entity 2025	Economic entity 2024 Restated*	Controlling entity 2025	Controlling entity 2024 Restated*
Cash flows from operating activities					
Receipts					
Sale of goods and services		4 370 972 835	3 885 129 633	4 371 261 084	3 885 392 318
Property rates and fines		1 563 316 713	1 351 613 165	1 563 316 713	1 351 613 165
Interest income		32 386 783	44 330 951	32 154 233	44 100 427
Interest received - consumer debtors		35 748 725	20 197 016	35 748 725	20 197 016
Government grants		1 389 284 266	1 263 177 707	1 389 284 266	1 263 177 707
		7 391 709 322	6 564 448 472	7 391 765 021	6 564 480 633
Payments					
Employee costs		(1 717 136 149)	(1 669 421 653)	(1 704 076 808)	(1 657 129 920)
Suppliers		(4 794 287 846)	(4 368 686 392)	(4 804 518 070)	(4 381 732 571)
Finance costs		(25 374 206)	(16 638 068)	(25 374 206)	(16 638 068)
		(6 536 798 201)	(6 054 746 113)	(6 533 969 084)	(6 055 500 559)
Net cash flows from operating activities	60	**854 911 121**	**509 702 359**	**857 795 937**	**508 980 074**
Cash flows from investing activities					
Purchase of property, plant and equipment	14	(787 160 111)	(565 637 390)	(787 108 867)	(565 622 788)
Proceeds from sale of property, plant and equipment	14	1 546 113	579 902	1 543 940	556 000
Purchase of investment property	13	-	(50 396)	-	(50 396)
Proceeds from sale of investment property	13	8 469 530	-	8 469 530	-
Purchase of intangible assets	12	(10 665 402)	(5 921 416)	(10 665 402)	(5 921 416)
Purchase of heritage assets	11	-	(63 575)	-	(63 575)
Transfer to capital replacement reserve		72 011	-	72 011	-
(Increase)/decrease in other financial assets		(509 262)	(329 809)	(509 262)	(329 809)
Net cash flows from investing activities		**(788 247 121)**	**(571 422 684)**	**(788 198 050)**	**(571 431 984)**
Cash flows from financing activities					
Proceeds of other financial liabilities		234 315 856	116 274 950	234 315 856	116 274 950
Repayment of other financial liabilities		(50 311 362)	(74 270 250)	(50 311 362)	(74 270 250)
Net cash flows from financing activities		**184 004 494**	**42 004 700**	**184 004 494**	**42 004 700**
Net increase/(decrease) in cash and cash equivalents		**250 668 494**	**(19 715 625)**	**253 602 381**	**(20 447 210)**
Cash and cash equivalents at the beginning of the year		495 992 735	515 708 360	490 954 799	511 402 009
Cash and cash equivalents at the end of the year		**8 746 661 229**	**495 992 735**	**744 557 180**	**490 954 799**

The accrual based annual financial statements figures are adjusted for non cash items, changes in working capital and other considerations in preparing the Cash Flow Statement.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AS AT 30 JUNE 2025

Budget on Accrual Basis						
Figures in Rand	**Approved budget**	**Adjustments**	**Final Budget**	**Actual amounts on comparable basis**	**Difference between final budget and actual**	**Reference**
Economic entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges - electricity	4 297 825 065	(73 467 095)	**4 224 357 970**	3 446 703 306	**(777 654 664)**	Refer to Note 82 for variance analysis comparison
Service charges - water	1 009 760 082	-	**1 009 760 082**	1 116 556 874	**106 796 792**	
Service charges - waste water management	220 724 860	-	**220 724 860**	246 394 651	**25 669 791**	
Service charges - waste management	155 390 777	-	**155 390 777**	158 733 588	**3 342 811**	
Rental from fixed assets	113 961 629	-	**113 961 629**	31 377 367	**(82 584 262)**	
Interest earned from current and non-current assets	19 135 147	-	**19 135 147**	34 134 776	**14 999 629**	
Interest received from receivables	230 681 790	100 000 000	**330 681 790**	426 881 731	**96 199 941**	
Licences and permits	2 546 799	-	**2 546 799**	2 127 136	**(419 663)**	
Agency services	764 826	-	**764 826**	3 013 565	**2 248 739**	
Gains on disposal of assets	-	-	**-**	3 324 918	**3 324 918**	
Other gains	-	-	**-**	41 639 167	**41 639 167**	
Operational revenue	204 124 220	-	**204 124 220**	38 520 342	**(165 603 878)**	
Sale of goods and rendering of services	42 042 838	-	**42 042 838**	15 043 162	**(26 999 676)**	
Total revenue from exchange transactions	**6 296 958 033**	**26 532 905**	**6 323 490 938**	**5 564 450 583**	**(759 040 355)**	
Revenue from non-exchange transactions						
Property rates	1 649 352 521	-	**1 649 352 521**	1 696 664 604	**47 312 083**	
Interest	59 562 303	-	**59 562 303**	135 058 566	**75 496 263**	
Transfers and subsidies - operational	946 343 150	72 775 540	**1 019 118 690**	980 313 395	**(38 805 295)**	
Fines, penalties and forfeits	11 687 217	-	**11 687 217**	20 017 690	**8 330 473**	
Total revenue from non-exchange transactions	2 666 945 191	72 775 540	**2 739 720 731**	2 832 054 255	**92 333 524**	
Total revenue	**8 963 903 224**	**99 308 445**	**9 063 211 669**	**8 396 504 838**	**(666 706 831)**	
Expenditure						
Employee related costs	(1 860 538 235)	100 982 488	**(1 759 555 747)**	(1 718 126 431)	**41 429 316**	
Remuneration of councillors	(66 461 931)	6 003 000	**(60 458 931)**	(58 382 287)	**2 076 644**	
Debt Impairment	(636 000 000)	(602 003 000)	**(1 238 003 000)**	(1 231 878 009)	**6 124 991**	
Depreciation and amortisation	(363 040 744)	19 977 000	**(343 063 744)**	(337 898 615)	**5 165 129**	
Interest	(42 824 931)	(69 562 252)	**(112 387 183)**	(112 366 200)	**20 983**	
Bulk purchases - electricity	(3 145 118 900)	79 000 000	**(3 066 118 900)**	(3 061 987 658)	**4 131 242**	
Inventory consumed	(993 409 214)	(192 990 269)	**(1 186 399 483)**	(1 167 322 597)	**19 076 886**	
Contracted services	(1 024 663 415)	67 684 218	**(956 979 197)**	(924 004 140)	**32 975 057**	
Transfers and subsidies	(52 375 752)	45 000 000	**(7 375 752)**	(1 954 117)	**5 421 635**	
Irrecoverable debts written off	-	(12 000 000)	**(12 000 000)**	(8 967 184)	**3 032 816**	
Other losses	-	(7 000 000)	**(7 000 000)**	(5 392 476)	**1 607 524**	
Loss on disposal of assets	-	(12 000 000)	**(12 000 000)**	(10 169 593)	**1 830 407**	
Operational costs	(195 836 780)	(101 186 798)	**(297 023 578)**	(270 265 341)	**26 758 237**	
Total expenditure	**(8 380 269 902)**	**(678 095 613)**	**(9 058 365 515)**	**(8 908 714 648)**	**149 650 867**	

Budget on Accrual Basis						
Figures in Rand	**Approved budget**	**Adjustments**	**Final Budget**	**Actual amounts on comparable basis**	**Difference between final budget and actual**	**Reference**
Operating deficit	**583 633 322**	**(578 787 168)**	**4 846 154**	**(512 209 810)**	**(517 055 964)**	
Transfers and subsidies - capital (monetary allocations)	456 974 891	8 320 425	**465 295 316**	389 291 549	**(76 003 767)**	
Transfers and subsidies - capital (inkind - all)	-	-	**-**	3 172 232	**3 172 232**	
	456 974 891	**8 320 425**	**465 295 316**	**392 463 781**	**(72 831 535)**	
Deficit before taxation	**1 040 608 213**	**(570 466 743)**	**470 141 470**	**(119 746 029)**	**(589 887 499)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**1 040 608 213**	**(570 466 743)**	**470 141 470**	**(119 746 029)**	**(589 887 499)**	
Reconciliation						

Budget on Accrual Basis Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Cash and cash equivalents	213 140 337	340 560 245	**553 700 582**	746 661 229	**192 960 647**	Refer to Note 82 for variance analysis comparison
Trade and other receivables from exchange transactions	2 649 261 959	-	**2 649 261 959**	924 040 996	**(1 725 220 963)**	
Receivables from non-exchange transactions	811 010 113	-	**811 010 113**	317 134 596	**(493 875 517)**	
Inventory	442 453 028	(192 990 269)	**249 462 759**	496 502 530	**247 039 771**	
VAT	-	-	**-**	612 935 476	**612 935 476**	
Other current assets	2 500	-	**2 500**	24 093 935	**24 091 435**	
	4 115 867 937	**147 569 976**	**4 263 437 913**	**3 121 368 762**	**(1 142 069 151)**	
Non-Current Assets						
Investment property	974 255 981	-	**974 255 981**	928 429 205	**(45 826 776)**	
Property,plant and equipment	8 761 935 354	-	**8 761 935 354**	7 609 457 806	**(1 152 477 548)**	
Biological	80 958 443	-	**80 958 443**	95 800 000	**14 841 557**	
Intangible	25 766 052	-	**25 766 052**	32 577 975	**6 811 923**	
Living and non-living resources	-	-	**-**	446 481	**446 481**	
Heritage assets	291 269 523	-	**291 269 523**	333 415 151	**42 145 628**	
	10 134 185 353	-	**10 134 185 353**	9 000 126 618	**(1 134 058 735)**	
Total Assets	**14 250 053 290**	**147 569 976**	**14 397 623 266**	**12 121 495 380**	**(2 276 127 886)**	
Liabilities						
Current Liabilities						
Financial liabilities	(11 272 788)	-	**(11 272 788)**	35 059 080	**46 331 868**	
Consumer deposits	150 719 178	-	**150 719 178**	167 101 606	**16 382 428**	
Trade and other payables from exchange	1 714 269 734	-	**1 714 269 734**	2 980 868 175	**1 266 598 441**	
Trade and other payables from non - exchange	-	-	**-**	120 202 847	**120 202 847**	
Provisions	62 936 725	-	**62 936 725**	5 765 323	**(57 171 402)**	
VAT	457 746 833	-	**457 746 833**	-	**(457 746 833)**	
Other current liabilities	-	-	**-**	47 332 000	**47 332 000**	
	2 374 399 682	**-**	**2 374 399 682**	**3 356 329 031**	**981 929 349**	
Non-Current Liabilities						
Financial liabilities	559 919 194	-	**559 919 194**	315 531 725	**(244 387 469)**	
Provisions	80 110 830	-	**80 110 830**	44 537 726	**(35 573 104)**	
Other non current liabilities	583 456 000	-	**583 456 000**	649 005 001	**65 549 001**	
Long term portion of trade payables	-	-	**-**	1 066 353 963	**1 066 353 963**	
	1 223 486 024	**-**	**1 223 486 024**	**2 075 428 415**	**851 942 391**	
Total Liabilities	**3 597 885 706**	**-**	**3 597 885 706**	**5 431 757 446**	**1 833 871 740**	
Net Assets	**10 652 167 584**	**147 569 976**	**10 799 737 560**	**6 689 737 934**	**(4 109 999 626)**	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Accumulated surplus/(deficit)	10 652 167 584	147 569 976	**10 799 737 560**	6 358 722 973	**(4 441 014 587)**	
Funds and reserves	-	-	**-**	331 014 961	**331 014 961**	
Total Net Assets	**10 652 167 584**	**147 569 976**	**10 799 737 560**	**6 689 737 934**	**(4 109 999 626)**	

Budget on Accrual Basis						
Figures in Rand	**Approved budget**	**Adjustments**	**Final Budget**	**Actual amounts on comparable basis**	**Difference between final budget and actual**	**Reference**
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Property rates	1 484 417 269	-	**1 484 417 269**	1 528 598 373	**44 181 104**	Refer to Note 82 for variance analysis comparison
Service charges	4 717 471 651	(173 182 363)	**4 544 289 288**	4 297 576 031	**(246 713 257)**	
Other revenue	764 813 577	62 238 751	**827 052 328**	108 140 732	**(718 911 596)**	
Transfers and subsidies - operational	956 879 939	-	**956 879 939**	1 109 044 183	**152 164 244**	
Transfers and subsidies - capital	456 974 891	33 413 849	**490 388 740**	280 240 083	**(210 148 657)**	
Interest	-	-	**-**	68 135 508	**68 135 508**	
	8 380 557 327	**(77 529 763)**	**8 303 027 564**	**7 391 734 910**	**(911 292 654)**	
Payments						
Suppliers and employees	(7 709 138 592)	382 602 756	**(7 326 535 836)**	(6 504 771 156)	**821 764 680**	
Finance charges	(42 824 931)	(69 562 252)	**(112 387 183)**	(6 678 427)	**105 708 756**	
Transfers and grants	(52 375 752)	27 705 622	**(24 670 130)**	(25 374 206)	**(704 076)**	
	(7 804 339 275)	**340 746 126**	**(7 463 593 149)**	**(6 536 823 789)**	**926 769 360**	
Net cash flows from operating activities	**576 218 052**	**263 216 363**	**839 434 415**	**854 911 121**	**15 476 706**	
Proceeds on disposal of PPE	-	-	**-**	10 015 643	**10 015 643**	
(increase)/decrease in short term investment	-	-	**-**	(509 262)	**(509 262)**	
Transfer to CRR	-	-	**-**	72 011	**72 011**	
Capital assets	(826 763 940)	(99 278 484)	**(926 042 424)**	(797 825 513)	**128 216 911**	
Net cash flows from investing activities	**(826 763 940)**	**(99 278 484)**	**(926 042 424)**	**(788 247 121)**	**137 795 303**	
Cash flows from financing activities						
Borrowing long term/refinancing	234 315 856	-	**234 315 856**	234 315 856	**-**	
Repayment of borrowing	(90 000 000)	-	**(90 000 000)**	(50 311 362)	**39 688 638**	
Net cash flows from financing activities	**144 315 856**	**-**	**144 315 856**	**184 004 494**	**39 688 638**	
Net increase/(decrease) in cash and cash equivalents	(106 230 032)	163 937 879	**57 707 847**	250 668 494	**192 960 647**	
Cash and cash equivalents at the beginning of the year	543 528 000	(47 535 265)	**495 992 735**	495 992 735	**-**	
Cash and cash equivalents at the end of the year	**437 297 968**	**116 402 614**	**553 700 582**	**746 661 229**	**192 960 647**	
Reconciliation						

Budget on Accrual Basis Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Controlling entity						
Statement of Financial Performance						
Revenue						
Exchange revenue						
Service charges - electricity	4 297 825 065	(73 467 095)	**4 224 357 970**	3 446 991 985	**(777 365 985)**	Refer to Note 82 for variance analysis comparison
Service charges - water	1 009 760 082	-	**1 009 760 082**	1 116 556 874	**106 796 792**	
Service charges - waste water management	220 724 860	-	**220 724 860**	246 394 651	**25 669 791**	
Service charges - waste management	155 390 777	-	**155 390 777**	158 733 588	**3 342 811**	
Rental from fixed assets	113 961 629	-	**113 961 629**	31 377 367	**(82 584 262)**	
Interest earned from current and non-current assets	19 135 147	-	**19 135 147**	33 902 227	**14 767 080**	
Interest received from receivables	230 681 790	100 000 000	**330 681 790**	426 881 731	**96 199 941**	
Licences and permits	2 546 799	-	**2 546 799**	2 127 136	**(419 663)**	
Agency services	764 826	-	**764 826**	3 013 565	**2 248 739**	
Gains on disposal of assets	-	-	**-**	3 324 918	**3 324 918**	
Other gains	-	-	**-**	41 639 167	**41 639 167**	
Operational revenue	204 124 220	-	**204 124 220**	38 520 342	**(165 603 878)**	
Sale of goods and rendering of services	42 042 838	-	**42 042 838**	15 042 732	**(27 000 106)**	
	6 296 958 033	**26 532 905**	**6 323 490 938**	**5 564 506 283**	**(758 984 655)**	
Non -exchange revenue						
Taxation revenue						
Property rates	1 649 352 521	-	**1 649 352 521**	1 696 664 604	**47 312 083**	
Interest	59 562 303	-	**59 562 303**	135 058 566	**75 496 263**	
Transfer revenue						
Transfers and subsidies - operational	946 343 150	72 775 540	**1 019 118 690**	980 313 395	**(38 805 295)**	
Fines, penalties and forfeits	11 687 217	-	**11 687 217**	20 017 690	**8 330 473**	
Total revenue from non-exchange transactions	**2 666 945 191**	**72 775 540**	**2 739 720 731**	**2 832 054 255**	**92 333 524**	
Total Revenue (excluding capital transfers and contributions)	**8 963 903 224**	**99 308 445**	**9 063 211 669**	**8 396 560 538**	**(666 651 131)**	
Expenditure						
Employee related costs	(1 847 015 838)	100 982 488	**(1 746 033 350)**	(1 705 246 249)	**40 787 101**	
Remuneration of councillors	(66 461 931)	6 003 000	**(60 458 931)**	(58 382 287)	**2 076 644**	
Debt Impairment	(636 000 000)	(602 003 000)	**(1 238 003 000)**	(1 231 878 009)	**6 124 991**	
Depreciation and amortisation	(362 178 747)	19 977 000	**(342 201 747)**	(337 233 224)	**4 968 523**	
Interest	(42 824 931)	(69 562 252)	**(112 387 183)**	(112 366 200)	**20 983**	
Bulk purchases - electricity	(3 145 118 900)	79 000 000	**(3 066 118 900)**	(3 061 987 658)	**4 131 242**	
Inventory consumed	(993 409 214)	(192 990 269)	**(1 186 399 483)**	(1 167 260 596)	**19 138 887**	
Contracted services	(1 023 282 031)	67 684 218	**(955 597 813)**	(923 554 799)	**32 043 014**	
Transfers and subsidies	(69 670 130)	45 000 000	**(24 670 130)**	(18 386 498)	**6 283 632**	
Irrecoverable debts written off	-	(12 000 000)	**(12 000 000)**	(8 967 184)	**3 032 816**	
Other losses	-	(7 000 000)	**(7 000 000)**	(5 392 476)	**1 607 524**	
Loss on disposal of assets	-	(12 000 000)	**(12 000 000)**	(10 086 275)	**1 913 725**	
Operational costs	(194 308 180)	(101 186 798)	**(295 494 978)**	(268 927 233)	**26 567 745**	
Total expenditure	**(8 380 269 902)**	**(678 095 613)**	**(9 058 365 515)**	**(8 909 668 688)**	**148 696 827**	
Operating deficit	**583 633 322**	**(578 787 168)**	**4 846 154**	**(513 108 150)**	**(517 954 304)**	
Transfers and subsidies - capital (monetary allocations)	456 974 891	8 320 425	**465 295 316**	389 291 549	**(76 003 767)**	
Transfers and subsidies - capital (inkind - all)	-	-	**-**	3 172 232	**3 172 232**	

Budget on Accrual Basis						
Figures in Rand	**Approved budget**	**Adjustments**	**Final Budget**	**Actual amounts on comparable basis**	**Difference between final budget and actual**	**Reference**
	456 974 891	**8 320 425**	**465 295 316**	**392 463 781**	**(72 831 535)**	
Deficit before taxation	**1 040 608 213**	**(570 466 743)**	**470 141 470**	**(120 644 369)**	**(590 785 839)**	
Surplus/(Deficit) for the year	**1 040 608 213**	**(570 466 743)**	**470 141 470**	**(120 644 369)**	**(590 785 839)**	
Reconciliation						

Budget on Accrual Basis Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Cash and cash equivalents	211 783 355	381 256 524	**593 039 879**	744 557 181	**151 517 302**	Refer to Note 82 for variance analysis comparison
Trade and other receivables from exchange transactions	2 649 261 959	-	**2 649 261 959**	924 038 495	**(1 725 223 464)**	
Receivables from non-exchange transactions	811 010 113	-	**811 010 113**	317 134 596	**(493 875 517)**	
Other current assets	-	-	**-**	24 093 935	**24 093 935**	
Inventory	442 453 028	(192 990 269)	**249 462 759**	496 502 530	**247 039 771**	
VAT	-	-	**-**	613 474 290	**613 474 290**	
	4 114 508 455	**188 266 255**	**4 302 774 710**	**3 119 801 027**	**(1 182 973 683)**	
Non-Current Assets						
Investment property	974 255 981	-	**974 255 981**	928 429 205	**(45 826 776)**	
Property,plant and equipment	8 754 769 738	-	**8 754 769 738**	7 603 295 760	**(1 151 473 978)**	
Biological	80 958 443	-	**80 958 443**	95 800 000	**14 841 557**	
Intangible	25 766 052	-	**25 766 052**	32 577 975	**6 811 923**	
Living and non-living resources	-	-	**-**	446 481	**446 481**	
Heritage assets	291 269 523	-	**291 269 523**	333 415 152	**42 145 629**	
	10 127 019 737	**-**	**10 127 019 737**	**8 993 964 573**	**(1 133 055 164)**	
Total Assets	**14 241 528 192**	**188 266 255**	**14 429 794 447**	**12 113 765 600**	**(2 316 028 847)**	
Liabilities						
Current Liabilities						
Financial liabilities	(11 272 788)	-	**(11 272 788)**	35 059 080	**46 331 868**	
Consumer deposits	150 719 178	-	**150 719 178**	167 101 606	**16 382 428**	
Trade and other payables from exchange	1 713 733 896	-	**1 713 733 896**	2 984 441 095	**1 270 707 199**	
Trade and other payables from non - exchange	-	-	**-**	120 202 847	**120 202 847**	
Provisions	61 739 437	-	**61 739 437**	5 765 323	**(55 974 114)**	
VAT	457 746 833	-	**457 746 833**	-	**(457 746 833)**	
Other current liabilities	-	-	**-**	47 332 000	**47 332 000**	
	2 372 666 556	**-**	**2 372 666 556**	**3 359 901 951**	**987 235 395**	
Non-Current Liabilities						
Financial liabilities	559 919 194	-	**559 919 194**	315 531 725	**(244 387 469)**	
Provisions	80 110 830	-	**80 110 830**	44 537 726	**(35 573 104)**	
Other non current liabilities	583 456 000	-	**583 456 000**	649 005 001	**65 549 001**	
Long term portion of trade payables	-	-	**-**	1 066 353 963	**1 066 353 963**	
	1 223 486 024	**-**	**1 223 486 024**	**2 075 428 415**	**851 942 391**	
Total Liabilities	**3 596 152 580**	**-**	**3 596 152 580**	**5 435 330 366**	**1 839 177 786**	
Net Assets	**10 645 375 612**	**188 266 255**	**10 833 641 867**	**6 678 435 234**	**(4 155 206 633)**	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus/(deficit)	10 645 375 612	188 266 255	**10 833 641 867**	6 347 420 273	**(4 486 221 594)**	
Funds and reserves	-	-	**-**	331 014 961	**331 014 961**	
Total Net Assets	**10 645 375 612**	**188 266 255**	**10 833 641 867**	**6 678 435 234**	**(4 155 206 633)**	

Budget on Accrual Basis						
Figures in Rand	**Approved budget**	**Adjustments**	**Final Budget**	**Actual amounts on comparable basis**	**Difference between final budget and actual**	**Reference**
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Property rates	1 484 417 269	-	**1 484 417 269**	1 528 598 373	**44 181 104**	Refer to Note 82 for variance analysis comparison
Service charges	4 717 471 651	(173 182 363)	**4 544 289 288**	4 297 839 122	**(246 450 166)**	
Other revenue	765 832 296	-	**765 832 296**	108 140 301	**(657 691 995)**	
Transfers and subsidies - operational	956 879 939	62 238 751	**1 019 118 690**	1 109 044 183	**89 925 493**	
Transfers and subsidies - capital	456 974 891	33 413 849	**490 388 740**	280 240 083	**(210 148 657)**	
Interest	19 135 147	-	**19 135 147**	67 902 959	**48 767 812**	
	8 400 711 193	**(77 529 763)**	**8 323 181 430**	**7 391 765 021**	**(931 416 409)**	
Payments						
Suppliers and employees	(7 692 706 211)	382 602 756	**(7 310 103 455)**	(6 490 208 380)	**819 895 075**	
Finance charges	(42 824 931)	(69 562 252)	**(112 387 183)**	(25 374 206)	**87 012 977**	
Transfers and grants	(69 670 130)	45 000 000	**(24 670 130)**	(18 386 498)	**6 283 632**	
	(7 805 201 272)	**358 040 504**	**(7 447 160 768)**	**(6 533 969 084)**	**913 191 684**	
Net cash flows from operating activities	**595 509 921**	**280 510 741**	**876 020 662**	**857 795 937**	**(18 224 725)**	
Cash flows from investing activities						
Proceeds on disposal of PPE	-	-	**-**	10 013 470	**10 013 470**	
(increase)/decrease in short term investment	-	-	**-**	(509 262)	**(509 262)**	
Transfer to CRR	-	-	**-**	72 011	**72 011**	
Capital assets	(824 010 890)	(99 278 484)	**(923 289 374)**	(797 774 269)	**125 515 105**	
Net cash flows from investing activities	**(824 010 890)**	**(99 278 484)**	**(923 289 374)**	**(788 198 050)**	**135 091 324**	
Cash flows from financing activities						
Borrowing long term/refinancing	234 315 856	-	**234 315 856**	234 315 856	**-**	
Repayment of borrowing	(90 000 000)	-	**(90 000 000)**	(50 311 362)	**39 688 638**	
Net cash flows from financing activities	**144 315 856**	**-**	**144 315 856**	**184 004 494**	**39 688 638**	
Net increase/(decrease) in cash and cash equivalents	(84 185 113)	181 232 257	**97 047 144**	253 602 381	**156 555 237**	
Cash and cash equivalents at the beginning of the year	543 528 000	(47 535 265)	**495 992 735**	490 954 799	**(5 037 936)**	
Cash and cash equivalents at the end of the year	**459 342 887**	**133 696 992**	**593 039 879**	**744 557 180**	**151 517 301**	

The Statement of Financial Position, Performance and Cash Flow Statement are adjusted to conform and align with National Treasury budget reporting formats and line items. The latest audited information is used as a basis to project the figures in the Statement of Financial Position, the original budget figures were based on the 2024 audited figures.

ACCOUNTING POLICIES

1. Presentation of Consolidated Annual Financial Statements

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

1.1 Presentation currency

These consolidated annual financial statements are presented in South African Rand, which is the functional currency of the economic entity.

1.2 Going concern assumption

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

1.3 Significant judgments and sources of estimation uncertainty

In preparing the consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated annual financial statements. Significant judgements include: Allowance for slow moving, damaged and obsolete inventories An allowance for inventories to write inventories down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the inventory losses note 59.

Fair value estimation investment property

The fair value of investment property reflect market conditions at the end of the reporting period.

The fair value of investment property reflects, among other things, rental revenue from current leases and reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental revenue from future leases in the light of current conditions

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The economic entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 19 - Provisions.

Useful lives of property, plant and equipment

The municipality's management determines the estimated useful lives and related depreciation charges for all assets. These estimates are based on the National Treasury Guideline and patterns of the use of assets. The review of useful lives is performed annually at each reporting date. This estimate is based on the industry

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 20 - Employee benefits obligations.

Effective interest rate

The rate used to discount future cash flows will be effective interest as at inception, therefore the available prime interest rate as at reporting date will be utilized to discount the receivables.

Debt Impairment

On consumer debtors and statutory receivables impairment loss is recognised in surplus and deficit when there is an objective evidence that debtors are impaired. The impairment is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition unless if the effect of discounting is immaterial.

The following key assumption and other sources were considered by management when performing the debt impairment calculation:

Discount rate.
The rate used to discount future cash flows will be effective interest as at inception, therefore the available prime interest rate as at reporting date will be utilized to discount the receivables.

Recovery rate
- For high risk receivables, the recovery rate is calculated using the formular: Payments received during the year / Revenue billed to customer during the year X 100.
- For medium risk receivables, the recovery rate is determined using the municipality's debtors' collection rate as per the prior year audited financial statements (or any other latest available reliable information). The collection rate will be calculated using the following formula as prescribed by National Treasury circular 71: Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100.
- For Low Risk the recovery rate is 100%.
- For Indigent Receivables with balance 60 days and below the recovery rate is 100%, Indigent Receivables with balance exceeding 60 days the formular: Payments received during the year / Revenue billed to customer during the year X 100, is used to calculate the recovery rate.

Collection period
The expected collection period to be used to discount the expected future cash flows will be based on the average debtors' collection period as per the latest audited financial statements (or any other latest available reliable information). If the average collection period is less than 12 months, then the future cash flows will be discounted over a 12-month period.

Categorisation of debtors
- High risk receivables
  - Accounts with outstanding balances exceeding 120 days.
  - Indigent Debtor Accounts that are outstanding for more than 60 days.
- Medium risk receivables
  - Accounts with outstanding balances between 61 and 120 days
  - Government Debtors with outstanding balance exceeding 365 days (12 months)
- Low risk receivables
  - Accounts with balances not exceeding 60 days
  - Government Debtors with outstanding debt less than 365 days (12 months)

1.4 Agricultural assets

The Municipality recognises agricultural assets or agricultural produce or agricultural produce when, and only when:
- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the economic entity; and
- the fair value or cost of the asset can be measured reliably.

Agricultural assets are measured at their fair value less costs to sell.

A gain or loss arising on initial recognition of agricultural assets or agricultural produce or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of agricultural assets or agricultural produce is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable is used to determine fair value.

The plantation harvested is derecognised at its fair value less costs to sell at the point of harvest.

1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:
- use in the production or supply of goods or services, or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

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

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

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

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

Fair value

Subsequent to initial measurement investment property is measured at fair value.

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

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

If the municipality determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on property, plant and equipment) until disposal of the investment property.

Once the municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on property, plant and equipment.

1.6 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits or service potential associated with the item will flow to the economic entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land		Infinite
Buildings	Straight line	5-50 years
Roads	Straight line	10-80 years
Plant and machinery	Straight line	5-25 years
Furniture and fixtures	Straight line	7-10 years
Motor vehicles	Straight line	5-30 years
System security	Straight line	5-20 years
Storm water drainage	Straight line	25-100 years
Airport Infrastructure	Straight line	20-50 years
Solid waste infrastructure	Straight line	10-50 years
Water and sanitation	Straight line	10-100 years
Major substations: buildings	Straight line	5-55 years
Transformers and related equipment	Straight line	5-55 years
Mains	Straight line	5-55 years

Item	Depreciation method	Average useful life
Street lighting	Straight line	50 years
Recreational facilities	Straight line	5-100 years
Fresh produce and other markets	Straight line	5-50 years
Fire engines	Straight line	20-25 years
Landfill site	Straight line	5-50 years
Transport facilities	Straight line	5-50 years
Fencing	Straight line	10 years
Heavy and mobile plant	Straight line	10-25 years
Bins and containers	Straight line	5-25 years
Office equipment	Straight line	5 - 10 years
Emergency equipment	Straight line	5 - 15 years
Electricity	Straight line	5 - 50 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the economic entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The economic entity assesses at each reporting date whether there is any indication that the economic entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the economic entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The economic entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 14).

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 14).

1.7 Intangible assets

An asset is identifiable if it either:
- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the economic entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:
- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the economic entity; and
- the cost or fair value of the asset can be measured reliably.

The economic entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	3-5 years
Servitudes		Indefinite

Intangible assets are derecognised:
- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.8 Heritage assets

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses except for Artworks and jewellery.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an economic entity's operations that is shown as a single item for the purpose of disclosure in the consolidated annual financial statements.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that a economic entity is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

The economic entity separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 11).

Recognition

The economic entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the economic entity, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

After recognition as an asset, all classes of heritage assets are carried at its cost less any accumulated impairment losses except for artworks and jewellery.

The Municipality measures artworks and jewellery using revaluation model.

After recognition as an asset, artworks and jewellery, whose fair value can be measured reliably, are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If artworks carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus.

However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If artworks and jewellery carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

The economic entity assesses at each reporting date whether there is an indication that heritage assets may be impaired. If any such indication exists, the economic entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

Derecognition

The economic entity derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised .

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

At each reporting date conditions for impairment are conducted.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Other debtors	Category
Other debtors	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Consumer debtors	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the financial instruments at amortised cost.

All financial assets measured at amortised cost, are subject to an impairment review.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

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

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

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

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The economic entity recognises statutory receivables as follows:
- if the transaction is an exchange transaction, using the policy on 1.18 - Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on 1.19 - Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The economic entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The economic entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:
- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the economic entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the economic entity is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in “Accrued interest” above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The economic entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

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

Derecognition

The economic entity derecognises a statutory receivable, or a part thereof, when:

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

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP.

Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.11 Income Tax

The Municipality is exempted from income tax in terms of section 10(1)(a) of the Income Tax Act.

1.12 Leases

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

Operating leases - lessor

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

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

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

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

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

Subsequently inventories are measured at lower of cost and net realisable value except for land which is carried at current replacement cost.

Inventories are measured at the lower of cost and net realisable value where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the economic entity.

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

Inventories contain land that has been designated for the purposes of housing developments by the Municipality. The land is initially measured at cost. The land shall be subsequently measured at its current replacement cost. The Municipality shall derecognise the land and other inventories it no longer control.

1.14 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the economic entity; or
- the number of production or similar units expected to be obtained from the asset by the economic entity.

Designation

At initial recognition, the economic entity designates an asset as non-cash-generating, or as cash-generating. The designation is made on the basis of an economic entity's objective of using the asset.

The economic entity designates an asset or a cash-generating unit as cash-generating when:
- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The economic entity designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable service amount of the asset.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the depreciated replacement cost approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the economic entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the economic entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The economic entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the economic entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Identification

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Classification of plans

A binding arrangement is an arrangement that confers enforceable rights and obligations on the parties to the arrangement as if it were in the form of a contract. It includes rights from contracts or other legal rights.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Multi-employer plans are defined contribution plans (other than state plans) or defined benefit plans (other than state plans) that: (a) pool the assets contributed by various entities that are not under common control; and (b) use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees.

State plans are plans established by legislation that operate as if they are multiemployer plans for all entities in economic categories laid down in legislation.

Net defined benefit liability (asset)

The net defined benefit liability (asset) is the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.

The deficit or surplus is: (a) the present value of the defined benefit obligation; less (b) the fair value of plan assets (if any); plus (c) any liability that may arise as a result of a minimum funding requirement.

Defined benefit cost

Service cost comprises: (a) current service cost, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period; (b) past service cost, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by a plan); and (c) any gain or loss on settlement.

Net interest on the net defined benefit liability (asset) is the change during the period in the net defined benefit liability (asset) that arises from the passage of time.

Remeasurements of the net defined benefit liability (asset) comprise: (a) actuarial gains and losses; (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Actuarial gains and losses are changes in the present value of the defined benefit obligation resulting from: (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and (b) the effects of changes in actuarial assumptions.

Short-term employee benefits

Recognition and measurement

All short-term employee benefits

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

(a) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.
(b) As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

Short-term paid absences

The entity recognises the expected cost of short-term employee benefits in the form of paid absences as follows:

(a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and
(b) in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Post-employment benefits: Distinction between defined contribution plans and defined benefit plans

Multi-employer plans

The Municipality participates in various Multi-employer plans.

Sufficient information is not available to use defined benefit accounting for the multi-employer defined benefit plan, the Municipality therefore: (a) accounts for the plan as if it were a defined contribution plan; and (b) disclose the information required.

Post-employment benefits: Defined contribution plans

Recognition and measurement

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

(a) as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
(b) as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset. When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, they are be discounted using the discount rate as specified.

Post-employment benefits: Defined benefit plans

Recognition and measurement

The entity determines the net defined benefit liability (asset) with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

Statement of financial position

The entity recognises the net defined benefit liability (asset) in the statement of financial position.

Recognition and measurement: Present value of defined benefit obligations and current service cost

Actuarial valuation method

The entity uses the projected unit credit method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost.

Attributing benefit to periods of service

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the entity attributes benefit on a straight-line basis from:

(a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
(b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the end of the reporting period, for the period over which the obligations are to be settled.

Actuarial assumptions: Mortality

The entity determines its mortality assumptions by reference to its best estimate of the mortality of plan members both during and after employment.

Actuarial assumptions: Discount rate

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money.

The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Actuarial assumptions: Salaries, benefits and medical costs

The entity measures its defined benefit obligations on a basis that reflects:

(a) the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the end of the reporting period;
(b) any estimated future salary increases that affect the benefits payable;
(c) the effect of any limit on the employer's share of the cost of the future benefits;
(d) contributions from employees or third parties that reduce the ultimate cost to the entity of those benefits; and
(e) estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
    (i) those changes were enacted before the end of the reporting period; or
    (ii) historical data, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs takes account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Components of defined benefit cost

The entity recognises the components of defined benefit cost in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset, as follows:

(a) service cost;
(b) net interest on the net defined benefit liability (asset); and
(c) remeasurements of the net defined benefit liability (asset).

Current service cost

The entity determines current service cost using actuarial assumptions determined at the start of the reporting period. However, if the entity remeasures the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement, it determines current service cost for the remainder of the reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to remeasure the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement (part b).

Net interest on the net defined benefit liability (asset)

The entity determines net interest on the net defined benefit liability (asset) by multiplying the net defined benefit liability (asset) by the discount rate specified.

To determine net interest, the entity uses the net defined benefit liability (asset) and the discount rate determined at the start of the reporting period. However, if the entity remeasures the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement, the entity determines net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement using:

(a) the net defined benefit liability (asset) determined in accordance with the section on Past service cost gains and losses on settlement (part b); and
(b) the discount rate used to remeasure the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement (part b).

In applying this, the entity also takes into account any changes in the net defined benefit liability (asset) during the period resulting from contributions or benefit payments.

Remeasurements of the net defined benefit liability (asset)

Remeasurements of the net defined benefit liability (asset) comprise:

(a) actuarial gains and losses;
(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Other long-term employee benefits

Recognition and measurement

For other long-term employee benefits, the entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

(a) service cost;
(b) net interest on the net defined benefit liability (asset); and
(c) remeasurements of the net defined benefit liability (asset).

1.16 Provisions and contingencies

Provisions are recognised when:

- the economic entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where the effect is material, non-current provisions are discounted to their present value using a prevailing prime rate at year end which reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability. The municipality uses the prevailing prime rate at year end.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the economic entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Future events that may affect the amount required to settle an obligation shall be reflected in the amount of a provision where there is sufficient evidence of occurrence.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 83.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset is disclosed where an inflow of economic benefits or service potential is probable.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

A contingent liability is:

(a) a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
(b) a present obligation that arises from past events but is not recognised because:
    (i) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
    (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has

become probable. If it becomes probable that an outflow of future economic benefits or service potential will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

1.17 Commitments

A commitment is a binding agreement to undertake operating and capital expenditure at some set time in the future which has not yet become an actual liability.

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Capital expenditure is expenditure incurred to purchase, upgrade or construct physical assets (for e.g. buildings) for which there will be a long-term benefit. Long-term is defined as longer than one year.

Operational expenditure is expenditure incurred to purchase goods or services for which there will be a short-term benefit and which has been incurred in the normal course of business. Short-term is defined as less than one year.

An approved and contracted for commitment is where the expenditure has been approved and the contract has been awarded, service level agreement signed (where applicable) or any other pertinent authorisation has been granted at the end of the financial year/reporting date.

An approved and not yet contracted for commitment is where the expenditure has been approved and the contract has been awarded but awaiting finalisation of the service level agreement (where applicable) or any other authorisation pertinent to the contract at the end of the financial year/ reporting date.

1.18 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the economic entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest

Revenue arising from the use by others of municipality assets yielding interest or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.19 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

When the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a nonexchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and other funding are recognised as revenue to the extent that the municipality has complied with the criteria, conditions or obligations embodied in the grant agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for income tax is the earning of assessable income during the taxation period by the taxpayer.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for customs duty is the movement of dutiable goods or services across the customs boundary.

The taxable event for estate duty is the death of a person owning taxable property.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

1.20 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.21 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.22 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The economic entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the economic entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the economic entity concludes that it is not the agent, then it is the principal in the transactions (Refer to Note 70).

The economic entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the economic entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The economic entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the economic entity is an agent.

Recognition

The economic entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements Standards of GRAP.

The economic entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of Standards of GRAP.

1.23 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.24 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is disclosed in a note to the financial statements as an expense in the period that the expenditure is incurred.

1.25 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is disclosed in the notes to the financial statement in the period that the expenditure is incurred(Note 67). The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.27 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.28 Internal reserves

Capital replacement reserve (CRR)

The CRR is an asset financing source that represents an alternative to the other funding sources available to the Municipality namely external loans (interest bearing borrowings) and government grants & subsidies.

Subsequent to the implementation of GRAP in 2008, Reserves and Funds had to be discontinued as they are not permissible in terms of GRAP. However, the National Treasury determined that the CRR is one of the few funds and reserves that are allowed.

As a matter of principle, the focus is the manner in which these reserves are created and accounted for, which in this instance the capital replacement of major components of Infrastructure Assets in the event of technical failure. For accounting purposes, the CRR will be created by transferring amounts out of Accumulated surpluses/deficits to the respective reserve account, or vice versa, in the Statement of Changes in Net Assets. The net effect of these transfers will be nil in the Statement of Changes in Net Assets, and will not affect the value of reserves in totality. It is the requirement of GRAP that no transactions should be accounted for, directly to the Statement of Changes in Net Assets other than those specifically allowed in terms of GRAP, i.e. Revaluation Surplus Reserve. Therefore, situations should be avoided where reserves are created and accounted for, by taking amounts directly to the Statement of Changes in Net Assets thereby circumventing the Statement of Financial Performance.

The CRR will only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and will not be used for the maintenance of such items.

Self - Insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The self-insurance scheme has a policy that is aligned with the practice in the insurance industry. The balance of the self-insurance reserve is determined based on surpluses accumulated since inception.

The municipality operates a self-insurance scheme under the Self-Insurance Reserve, which has a policy that is aligned with the practice in the insurance industry. The balance of the Self-Insurance Reserve is determined based on surpluses accumulated since inception.

Compensation for occupational injuries and diseases (COID) reserve

The Compensation for Occupational Injuries and Diseases Act (Act 130 of 1993) is to provide for payment of medical treatment and compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases. The contribution to the COID fund is 0.75% of the salary expense. The municipality is an exempt employer in terms of Section 84 (1) (a)(ii) & (2) and as such does not pay any assessments to the COID Commissioner. In terms of the exempt status the municipality is mandated to establish its own fund and administers this fund in terms of the COID Act.

1.29 Revaluation reserve

The increase arising from the revaluation of property, plant and equipment is credited to a revaluation reserve. The revaluation surplus is realised upon disposal of artworks and jewellery. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.31 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by a economic entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/07/01 to 2025/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The consolidated annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Deviations between budget and actual amounts exceeding 10 percent are obtained monthly for the preparation of the Section

71 reporting and used during the audit process.

The threshold for which reasons for variances are provided is 10% and above.

1.32 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the economic entity, including those charged with the governance of the economic entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the economic entity.

1.33 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The economic entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The economic entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.34 Living resources

Living resources(Game animals) are those resources that undergo biological transformation.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Agricultural activity is the management by an economic entity of the biological transformation and harvest of biological assets for:

(a) sale;
(b) distribution at no charge or for a nominal charge; or
(c) conversion into agriculture produce or into additional biological assets for sale or distribution at no charge or for a nominal charge.

A bearer plant is a living plant that:

(a) is used in the production or supply of agricultural produce;
(b) is expected to bear produce for more than one period; and
(c) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Biological transformation (for purposes of this Standard) comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or development and, where applicable, the amount attributed to the asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Group of resources means a grouping of living of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the consolidated annual financial statements.

The residual value of an asset is the estimated amount that an economic entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Useful life is the period over which an asset is expected to be available for use by an economic entity, or the number of production or similar units expected to be obtained from the asset by an economic entity.

Recognition

A living resource is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the economic entity, and the cost or fair value of the asset can be measured reliably.

Where the economic entity is required in terms of legislation or similar means to manage a living resource, but it does not meet the definition of an asset because control of the resource cannot be demonstrated, relevant information are disclosed in the notes to the consolidated annual financial statements.

Where the economic entity holds a living resource that meets the definition of an asset, but which does not meet the recognition criteria, relevant information are disclosed in the notes to the consolidated annual financial statements. When the information about the cost or fair value of the living resource becomes available, the economic entity recognise, from that date, the living resource and apply the measurement principles.

Measurement at recognition

A living resource that qualifies for recognition as an asset is measured at its cost.

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

The cost of a living resource comprises its purchase price, including import duties and non-refundable purchase taxes, and any costs directly attributable to bringing the living resource to the location and condition necessary for it to be capable of operating in the manner intended by management.

Measurement after recognition

Cost model

After recognition as an asset, a group of living resources are carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation

Living resources are depreciated and the depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset, where appropriate.

The depreciable amount of a living resource is allocated on a systematic basis over its useful life.

The economic entity assesses at each reporting date whether there is any indication that the entity's expectations about the residual value and the useful life of a living resource have changed since the preceding reporting date. If any such indication exists, the economic entity revises the expected useful life and/or residual value accordingly. The change(s) is accounted for as a change in an accounting estimate.

In assessing whether there is any indication that the expected useful life of the living resource has changed, the economic entity considers the following indications:

(a) The use of the living resource has changed, because of the following:
- The economic entity has changed the manner in which the living resource is used.
- The economic entity has made a decision to dispose of the living resource in a future reporting period(s) such that this decision changes the expected period over which the living resource will be used.
- Legislation, government policy or similar means have been amended or implemented during the reporting period that have, or will, change the use of the living resource.
- The living resource was idle or retired from use during the reporting period.

(b) The living resource is approaching the end of its previously expected useful life.
(c) There is evidence that the condition of the living resource improved or declined based on assessments undertaken during the reporting period.
(d) The living resource is assessed as being impaired.

In assessing whether there is any indication that the expected residual value of the living resource has changed, the economic entity considers whether there has been any change in the expected timing of disposal of the living resource, as well as any relevant indicators as noted above.

The depreciation method used reflects the pattern in which the future economic benefits or service potential of the living resource is expected to be consumed by the entity.

The depreciation method applied to a living resource is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the living resource, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The useful lives of items of living resources have been assessed as follows:

Item	Depreciation method	Average useful life
Giraffe	Straight-line	25 years
Zebra	Straight-line	30 years
Blue Wildebeest	Straight-line	20 years
Inyala	Straight-line	20 years
Impala	Straight-line	15 years
Bush buck	Straight-line	15 years
Reed buck	Straight-line	15 years

Impairment

The economic entity assesses at each reporting date whether there is an indication that the living resource may be impaired. If any such indication exists, the economic entity estimates the recoverable amount or the recoverable service amount of the living resource.

Compensation from third parties for living resources that have been impaired, lost or given up, is included in surplus or deficit when the compensation becomes receivable.

Transfers

Transfers from living resources are made when the particular asset no longer meets the definition of a living resource and/or is no longer within the scope of this accounting policy.

Transfers to living resources are made when the asset meets the definition of a living resource.

Derecognition

The carrying amount of a living resource is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a living resource is included in surplus or deficit when the item is derecognised.

1.35 Value Added Tax (VAT)

VAT is payable on the receipt and payment basis.

The transaction date is referred to as the “time of supply”. Time of supply applies to certain supplies as the prevailing rate of VAT on that date will apply to the transaction concerned.

- on or after 1 April 2018 – a VAT rate of 15% will apply.

1.36 Expenditure

An expense is a decrease in the net financial position of the entity, other than decreases arising from ownership distributions.

An expense arises from exchange and non-exchange transactions, other events such as unrealised increases and decreases in the value of assets and the consumption of assets through depreciation and erosion of service potential and ability to generate economic benefits through impairments.

An expense may arise from individual transactions or groups of transactions.

Expenses are recognised in the statement of financial performance when a decrease in future economic benefits or service potential related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. The recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets.

Expenses encompasses losses as well as those expenses that arise in the course of the operating activities of the municipality.

Losses represent other items that meet the definition of expenses and may, or may not, arise in the course of the operating activities of the entity. Losses represent decreases in economic benefits or service potential and as such, they are no different in nature from other expenses.

1.37 Construction contracts and receivables

The Municipality has a level one accreditation in terms of its participation on the National Housing Programme. It is a project manager in terms of the arrangement to construct and transfer houses to the beneficiaries of the Programme, however there are some housing projects were the municipality acts a project developer.

Funds received to implement the National Housing Programme are recognised as contract revenue.

Contract revenue comprises:

(a) the initial amount of revenue agreed in the contract; and
(b) variations in contract work, claims and incentive payment to the extent that:
    (i) it is probable that they will result in revenue; and
    (ii) they are capable of being reliably measured.

Contract revenue is measured at the fair value of the consideration received or receivable.

When the outcome of a construction contract can be estimated reliably, contract revenue is recognised as revenue by reference to the stage of completion of the contract activity at the reporting date.

Cost incurred to implement the National Housing Programme are expensed as contract cost.

Contract costs comprise:

(a) costs that relate directly to the specific contract;
(b) costs that are attributable to contact activity in general and can be allocated to the on a systematic and rational basis; and
(c) other costs are specifically chargeable to the customer under the terms of the contract.

Contract costs include the costs attributable to a contract for the period from the date of securing the contract to the final completion of the contract. Costs that cannot be attributed to contract activity or cannot be allocated to a contract are excluded from the costs of a construction contract.

Any unused funds advanced to the municipality is recognised as a liability.

1.38 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

1.39 Water and Electricity losses

Water losses are recognised as an expense in the period they occur and measured at cost.

Electricity losses are disclosed in the period they occur and measured at cost.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The economic entity has not applied the following standards and interpretations, which have been published and are mandatory for the economic entity's accounting periods beginning on or after 01 July 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 2023 Improvements to the Standards of GRAP 2023	Effective date still to be determined by Finance Minister	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Effective date still to be determined by Finance Minister	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	Effective date still to be determined by Finance Minister	Impact is currently being assessed
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact.
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Impact is currently being assessed and expected to be major

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*

3. Inventory

Consumable stores	57 629 462	54 949 691	57 629 462	54 949 691
Materials and supplies	67 695 827	67 858 425	67 695 827	67 858 425
Water for distribution	1 737 112	1 813 967	1 737 112	1 813 967
Land inventory	369 440 129	363 992 749	369 440 129	363 992 749
	496 502 530	**488 614 832**	**496 502 530**	**488 614 832**

Inventory are recorded using the weighted average cost method.

Inventory expensed during the year R1 167 322 597 (2024 : R877 662 945)

Land inventory are carried at lower of cost or current replacement cost.

Inventory losses - consumables for the year R5 392 476 (2024 : R2 534 098).

Consumable stores comprises mainly of fuel inventory, stationery, detergents and street fittings amongst other items.

Inventory pledged as security

No inventory was pledged as security for either overdraft facilities or any financial liabilities of the municipality.

4. Other financial assets

At amortised cost				
Compensation for Occupational Injuries and Diseases Investment (COID)	24 093 935	23 584 673	24 093 935	23 584 673
Current assets				
At amortised cost	24 093 935	23 584 673	24 093 935	23 584 673
Other financial assets reconciliation				
Opening balance	23 584 673	23 254 864	23 584 673	23 254 864
Interest on maturity	2 287 713	2 174 648	2 287 713	2 174 648
Redemption	(25 872 386)	(25 429 512)	(25 872 386)	(25 429 512)
Re-investment	24 093 935	23 584 673	24 093 935	23 584 673
Closing balance	**24 093 935**	**23 584 673**	**24 093 935**	**23 584 673**

COID short term investment invested at 8,68 % (2024: 9,70%).

The current fixed deposit was invested with Standard Bank and will mature on the 3rd of April 2026.

The 12 month fixed deposit is re-invested annually.

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*

Other financial assets pledged as security
There are no other financial assets pledged as security for either overdraft facilities or any financial liabilities of the municipality.

5. Other debtors

Net balance				
Accrued revenue	19 058	18 721	19 058	18 721
Advance payments	2 500	2 500	-	-
Independent Development Trust	-	-	-	-
Interest accrual on bank and call accounts	2 143 671	347 504	2 143 671	347 504
Interest accrual on investment	509 653	557 826	509 653	557 826
Miscellaneous receivable	-	-	-	-
Overtime recovery	4 398	36 898	4 398	36 898
Prepaid electricity	773 352	1 070 265	773 352	1 070 265
Prepaid insurance premiums	7 078 331	7 428 460	7 078 331	7 428 460
Staff deductions - debit order	9 312	28 684	9 312	28 684
	10 540 275	**9 490 858**	**10 537 775**	**9 488 358**
Gross balance				
Accrued revenue	19 058	18 721	19 058	18 721
Advance payments	2 500	2 500	-	-
Independent Development Trust	108 836 507	108 836 507	108 836 507	108 836 507
Interest accrual on bank and call accounts	2 143 671	347 504	2 143 671	347 504
Interest accrual on investment	509 653	557 826	509 653	557 826
Land sale debtors	66 386	66 386	66 386	66 386
Miscellaneous receivable	7 067 608	6 343 040	7 067 608	6 343 040
Overtime recovery	4 398	36 898	4 398	36 898
Prepaid electricity	773 352	1 070 265	773 352	1 070 265
Prepaid insurance premiums	7 078 331	7 428 460	7 078 331	7 428 460
Staff deductions - debit order	9 312	28 684	9 312	28 684
	126 510 776	**124 736 791**	**126 508 276**	**124 734 291**
Less: Allowance for impairment				
Independent Development Trust	(108 836 507)	(108 836 507)	(108 836 507)	(108 836 507)
Land sale debtors	(66 386)	(66 386)	(66 386)	(66 386)
Miscellaneous receivable	(7 067 608)	(6 343 040)	(7 067 608)	(6 343 040)
	(115 970 501)	**(115 245 933)**	**(115 970 501)**	**(115 245 933)**

Other debtors pledged as security

There are no other debtors pledged as security for any financial liabilities of the municipality.

Credit quality of other debtors

The credit quality of other debtors are neither past due nor impaired except for land sale debtors, IDT and Miscellaneous receivable.

There is an ongoing dispute between IDT and Msunduzi Local Municipality on an amount that was paid by Msunduzi Local Municipality to IDT for the implementation of infrastructure projects. IDT was appointed as an implementing agent and advance payments were made to IDT during 2011/12 and 2012/13 financial years. The projects were implemented; however, IDT was unable to account for work amounting to R108 836 507.The receivable has been fully impaired since IDT is disputing the receivable.

Other debtors past due but not impaired

Other debtors which are past due and not impaired. At 30 June 2025 R13 710 (2024: R8 402 940).

Other debtors impaired

The amount of the provision was R115 970 501 as of 30 June 2025 (2024: R115 245 933).

6. Statutory receivables

Net balance				
Consumer debtors - rates	315 420 791	277 204 629	315 420 791	277 204 629
Fines	1 713 805	1 832 295	1 713 805	1 832 295
	317 134 596	**279 036 924**	**317 134 596**	**279 036 924**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Statutory receivables included in receivables from non-exchange transactions above are as follows:					
Consumer debtors - rates		315 420 791	277 204 629	315 420 791	277 204 629
Fines		1 713 805	1 832 295	1 713 805	1 832 295
		317 134 596	**279 036 924**	**317 134 596**	**279 036 924**
Gross balances					
Consumer debtors - rates		1 913 270 030	1 610 145 233	1 913 270 030	1 610 145 233
Fines		148 186 753	139 805 513	148 186 753	139 805 513
		2 061 456 783	**1 749 950 746**	**2 061 456 783**	**1 749 950 746**
Less: Allowance for impairment					
Consumer debtors - rates		(1 597 849 239)	(1 332 940 604)	(1 597 849 239)	(1 332 940 604)
Fines		(146 472 948)	(137 973 218)	(146 472 948)	(137 973 218)
		(1 744 322 187)	(1 470 913 822)	(1 744 322 187)	(1 470 913 822)
Total Consumer debtors - rates					
Current		133 005 360	158 583 963	133 005 360	158 583 963
0 - 30 days		61 709 343	38 941 326	61 709 343	38 941 326
31 - 60 days		40 665 387	4 956 030	40 665 387	4 956 030
61 - 90 days		41 360 128	33 771 460	41 360 128	33 771 460
91 - 120 days		37 467 207	35 040 382	37 467 207	35 040 382
121 - 365 days		276 011 620	233 008 474	276 011 620	233 008 474
> 365 days		1 323 050 985	1 105 843 598	1 323 050 985	1 105 843 598
		1 913 270 030	**1 610 145 233**	**1 913 270 030**	**1 610 145 233**
Fines					
Current (0-30 days)		648 800	812 250	648 800	812 250
31 - 60 days		786 900	977 600	786 900	977 600
61 - 90 days		1 049 350	1 346 100	1 049 350	1 346 100
91 - 120 days		960 000	1 586 750	960 000	1 586 750
121 - 365 days		6 701 500	12 318 800	6 701 500	12 318 800
> 365 days		138 040 203	122 764 013	138 040 203	122 764 013
		148 186 753	**139 805 513**	**148 186 753**	**139 805 513**
Summary of debtors by customer classification - rates					
Industrial/Commercial					
Current		43 735 536	53 241 120	43 735 536	53 241 120
0 - 30 days		10 120 979	7 793 698	10 120 979	7 793 698
31 - 60 days		8 701 067	1 173 530	8 701 067	1 173 530
61 - 90 days		9 984 329	6 874 756	9 984 329	6 874 756
91 - 120 days		8 067 404	7 052 464	8 067 404	7 052 464
121 - 365 days		61 646 356	47 851 519	61 646 356	47 851 519
> 365 days		217 640 387	178 267 831	217 640 387	178 267 831
		359 896 058	**302 254 918**	**359 896 058**	**302 254 918**
Government					
Current		10 998 664	17 236 793	10 998 664	17 236 793
0 - 30 days		4 482 665	4 290 672	4 482 665	4 290 672
31 - 60 days		3 501 493	-	3 501 493	-
61 - 90 days		3 145 605	3 716 944	3 145 605	3 716 944
91 - 120 days		2 756 409	3 239 375	2 756 409	3 239 375
121 - 365 days		20 836 221	18 676 712	20 836 221	18 676 712
> 365 days		65 578 517	66 887 291	65 578 517	66 887 291
		111 299 574	**114 047 787**	**111 299 574**	**114 047 787**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Government					
Current		10 998 664	17 236 793	10 998 664	17 236 793
0 - 30 days		4 482 665	4 290 672	4 482 665	4 290 672
31 - 60 days		3 501 493	-	3 501 493	-
61 - 90 days		3 145 605	3 716 944	3 145 605	3 716 944
91 - 120 days		2 756 409	3 239 375	2 756 409	3 239 375
121 - 365 days		20 836 221	18 676 712	20 836 221	18 676 712
> 365 days		65 578 517	66 887 291	65 578 517	66 887 291
		111 299 574	**114 047 787**	**111 299 574**	**114 047 787**
Consumers					
Current		78 271 160	88 106 050	78 271 160	88 106 050
0 - 30 days		47 105 699	26 856 956	47 105 699	26 856 956
31 - 60 days		28 462 828	3 782 500	28 462 828	3 782 500
61 - 90 days		28 230 194	23 179 761	28 230 194	23 179 761
91 - 120 days		26 643 394	24 748 543	26 643 394	24 748 543
121 - 365 days		193 529 042	166 480 243	193 529 042	166 480 243
> 365 days		1 039 832 080	860 688 476	1 039 832 080	860 688 476
		1 442 074 397	**1 193 842 529**	**1 442 074 397**	**1 193 842 529**
Reconciliation of allowance for impairment - Statutory receivables					
Balance at beginning of the year		(1 470 913 822)	(1 240 571 331)	(1 470 913 822)	(1 240 571 331)
(Increase)/decrease in impairment contribution		(273 408 365)	(230 342 491)	(273 408 365)	(230 342 491)
Balance at end of year		**(1 744 322 187)**	**(1 470 913 822)**	**(1 744 322 187)**	**(1 470 913 822)**
Consumer debtors - rates					
Balance at beginning of the year		(1 332 940 604)	(1 117 735 502)	(1 332 940 604)	(1 117 735 502)
(Increase)/decrease in impairment contribution		(264 908 636)	(215 205 102)	(264 908 636)	(215 205 102)
Balance at end of year		**(1 597 849 240)**	**(1 332 940 604)**	**(1 597 849 240)**	**(1 332 940 604)**
Fines					
Balance at beginning of the year		(137 973 218)	(122 835 829)	(137 973 218)	(122 835 829)
(Increase)/decrease in impairment contribution		(8 499 731)	(15 137 389)	(8 499 731)	(15 137 389)
Balance at end of year		**(146 472 949)**	**(137 973 218)**	**(146 472 949)**	**(137 973 218)**

Statutory receivables general information

Transaction(s) arising from statute

Traffic fines
The two types of traffic fines that are issued are :
- Traffic fines issued in terms of the Administrative Adjudication of Road Traffic Offences Act (AARTO Act).
- Traffic fines issued in terms of the Criminal Procedures Act.

Property rates
The Municipal Property Rates Act No. 06 of 2004 governs property rates billed. The Act regulates, the power of the municipality to impose rates on properties; to exclude certain properties from rating in the national interest; to make provisions for the municipality to implement a transparent and fair system of exemptions, reductions and rebates through the municipalities rates policy, making provisions for fair and equitable valuation methods of properties and to make provisions for objections and appeals.

Determination of transaction amount

Traffic fines
Traffic fines are issued in terms of the AARTO Act by way of notices to offenders which specify the value of the fine that must be paid, along with any discount that can be applied if the fine is paid within a specific period of time.

Traffic fines issued in terms of the Criminal Procedures Act are usually issued by way of notice to offenders, and can :
- indicate the value of the fine to be paid, and that certain reductions could be made to the value of the fine payable and how, or the circumstances under which, such reductions can be applied, or
- indicate that the offender must appear in Court on a specified date (in these instances, the value of the fine may or may not be indicated but this is often only determined after a separate legal process).

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*

Property rates
Property rates are levied in terms of the municipality's rates policy, which is aligned to the Municipal Property Rates Act No. 6 of 2004.
The amount of rates levied by the municipality on properties, is the rate randage

- On the market value of the property;
- In the case of public service infrastructure, on the market value of the public service infrastructure less 30% of that value as contemplated in section 17(1)(a) of the Municipal Property Rates Act of 2004 or on such a lower percentage as the minister determines in terms of section 17(4) of the Municipal Property Rates Act of 2004;
- In the case of property to which section 17(1) (h), of the Municipal Property Rates Act of 2004, applies on the market value of the property less the amount stated in that section, or on such amount as the Minister may determine.

Refer to Note 37 for rate randages.

Interest or other charges levied/charged

Traffic fines

No interest is levied on traffic fines.

Property rates

The following are charges that may be charged in addition to rates levied:

- Interest on outstanding rates billed:
  Interest shall be charged on all rates arrears in terms of section 64(g) of the Municipal Finance Management Act and the Municipal Systems Act.

The municipality has a Credit control policy that is approved by council. The credit control policy states that amounts on accounts, which remain unpaid after the due date shall attract interest irrespective of the reasons for non-payment. Interest will be charged at a rate of 10.75%, which is the annual interest rate as per approved tariff register.

Basis used to assess and test whether a statutory receivable is impaired

Traffic fines
The municipality assesses at each reporting date whether there is any indication that the traffic fines receivable is impaired. If impairment indicators exist, an impairment loss is measured as the difference between the recoverable amount and the carrying amount. Past payment trends are used to calculate the recoverable amount given the uncertainty around the payment patterns of traffic fines.

Property rates
Impairment regarding property rates are assessed collectively in terms of the municipality's impairment policy. Each debtor is classified into their risk profiles based on total services outstanding.

The difference between the carrying-value at reporting date less the present value of expected future cash flows, determines if impairment needs to be provided for. This is in terms of GRAP 108.

Discount rate not applied to the estimated future cash flows

Owing to the fact that a significant proportion of the paid fines are within 365 days and the low collection rates outstanding tickets, the effect of time value of money is considered immaterial therefore, discounting of future cash flows is not performed.

Statutory receivables past due but not impaired

Statutory receivables which are past due and not impaired. At 30 June 2025 R79 708 349 (2024: R47 873 892).

Statutory receivables impaired

The amount of the provision is R1 744 322 187 as of 30 June 2025 (2024: R1 470 913 822).

Factors the entity considered in assessing statutory receivables impaired

Traffic fines
Based on the historical payment pattern and behavioural analysis of traffic offenders the recoverability diminishes significantly if not paid within 12 months of the ticket being issued. The length of the time the traffic tickets are outstanding is therefore, a critical consideration in assessing impairment thereof.

The general prevailing adverse economic environment weighed in assessment of impairment. The low GDP growth, inflationary pressure and high unemployment rate. This has a negative impact on debt collection as the offender's disposable and discretionary income is under severe pressure.

The historical payment trend and behavioural pattern analysis over a lengthy period of time is the basis of the the traffic fines impairment variables.

The following assumptions are assessed on an annual basis based on a 5 year trend analysis

- Average collection rate - tickets issued current year 2025:5% (2024: 5%)
- Average collection rate - Prior years tickets 2025:0.91% (2024:0.85%)

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*

These above key impairment variables are analysed and assesed at each reporting date.

Property rates

Past history payment of debtors and the debtors risk profiling. Accounts outstanding that are above a million are considered material and are assessed separately based on their recovery of debt.

There are no statutory receivables pledged as security for any liability.

7. Consumer debtors

Gross balances				
Electricity	1 242 074 997	1 067 089 689	1 242 074 997	1 067 089 689
Other service charges	277 374 795	267 894 503	277 374 795	267 894 503
Property rental	89 648 582	79 818 466	89 648 582	79 818 466
Refuse	369 637 543	293 095 116	369 637 543	293 095 116
Sanitation	657 693 393	549 656 308	657 693 393	549 656 308
Water	4 457 631 936	3 631 546 130	4 457 631 936	3 631 546 130
	7 094 061 246	**5 889 100 212**	**7 094 061 246**	**5 889 100 212**
Less: Allowance for impairment				
Electricity	(711 953 114)	(517 768 174)	(711 953 114)	(517 768 174)
Other service charges	(270 405 842)	(261 580 410)	(270 405 842)	(261 580 410)
Property rental	(81 384 214)	(73 682 245)	(81 384 214)	(73 682 245)
Refuse	(326 458 903)	(270 409 747)	(326 458 903)	(270 409 747)
Sanitation	(587 868 158)	(492 102 686)	(587 868 158)	(492 102 686)
Water	(4 202 490 294)	(3 463 610 428)	(4 202 490 294)	(3 463 610 428)
	(6 180 560 525)	**(5 079 153 690)**	**(6 180 560 525)**	**(5 079 153 690)**
Net balance				
Electricity	530 121 883	549 321 515	530 121 883	549 321 515
Other service charges	6 968 953	6 314 093	6 968 953	6 314 093
Property rental	8 264 368	6 136 221	8 264 368	6 136 221
Refuse	43 178 640	22 685 369	43 178 640	22 685 369
Sanitation	69 825 235	57 553 622	69 825 235	57 553 622
Water	255 141 642	167 935 702	255 141 642	167 935 702
	913 500 721	**809 946 522**	**913 500 721**	**809 946 522**
Electricity				
Current	336 476 699	388 110 347	336 476 699	388 110 347
0 -30 days	75 533 605	16 430 261	75 533 605	16 430 261
31 - 60 days	16 605 695	7 973 991	16 605 695	7 973 991
61 - 90 days	17 858 080	25 094 026	17 858 080	25 094 026
91 - 120 days	8 254 818	25 067 261	8 254 818	25 067 261
121 - 365 days	154 099 105	178 158 526	154 099 105	178 158 526
> 365 days	633 246 995	426 255 277	633 246 995	426 255 277
	1 242 074 997	**1 067 089 689**	**1 242 074 997**	**1 067 089 689**
Water				
Current	124 087 421	182 988 549	124 087 421	182 988 549
0 -30 days	83 872 436	65 472 196	83 872 436	65 472 196
31 - 60 days	70 422 973	5 864 091	70 422 973	5 864 091
61 - 90 days	71 266 238	57 998 277	71 266 238	57 998 277
91 - 120 days	74 083 104	60 633 277	74 083 104	60 633 277
121 - 365 days	560 418 319	453 296 188	560 418 319	453 296 188
> 365 days	3 473 481 445	2 805 293 552	3 473 481 445	2 805 293 552
	4 457 631 936	**3 631 546 130**	**4 457 631 936**	**3 631 546 130**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Sanitation					
Current		24 882 655	34 808 421	24 882 655	34 808 421
0 -30 days		14 789 053	10 480 796	14 789 053	10 480 796
31 - 60 days		10 418 761	1 111 800	10 418 761	1 111 800
61 - 90 days		10 553 924	9 286 097	10 553 924	9 286 097
91 - 120 days		10 568 213	9 629 585	10 568 213	9 629 585
121 - 365 days		78 200 005	69 905 480	78 200 005	69 905 480
> 365 days		508 280 782	414 434 129	508 280 782	414 434 129
		657 693 393	**549 656 308**	**657 693 393**	**549 656 308**
Other service charges					
Current		4 355 275	2 604 884	4 355 275	2 604 884
0 -30 days		1 246 456	1 342 281	1 246 456	1 342 281
31 - 60 days		1 014 278	156 696	1 014 278	156 696
61 - 90 days		1 061 852	1 335 206	1 061 852	1 335 206
91 - 120 days		1 214 367	1 454 059	1 214 367	1 454 059
121 - 365 days		9 548 724	10 263 023	9 548 724	10 263 023
> 365 days		258 933 843	250 738 354	258 933 843	250 738 354
		277 374 795	**267 894 503**	**277 374 795**	**267 894 503**
Refuse					
Current		14 071 541	16 869 912	14 071 541	16 869 912
0 -30 days		8 560 098	5 588 269	8 560 098	5 588 269
31 - 60 days		6 242 816	877 868	6 242 816	877 868
61 - 90 days		6 244 810	4 834 067	6 244 810	4 834 067
91 - 120 days		6 596 184	4 873 039	6 596 184	4 873 039
121 - 365 days		45 937 721	34 467 058	45 937 721	34 467 058
> 365 days		281 984 373	225 584 903	281 984 373	225 584 903
		369 637 543	**293 095 116**	**369 637 543**	**293 095 116**
Property rental					
Current		4 318 930	14 928 625	4 318 930	14 928 625
0 -30 days		2 009 763	1 080 189	2 009 763	1 080 189
31 - 60 days		1 119 124	1 124 036	1 119 124	1 124 036
61 - 90 days		1 453 801	962 593	1 453 801	962 593
91 - 120 days		1 308 793	839 468	1 308 793	839 468
121 - 365 days		21 629 907	7 703 320	21 629 907	7 703 320
> 365 days		57 808 264	53 180 235	57 808 264	53 180 235
		89 648 582	**79 818 466**	**89 648 582**	**79 818 466**
Summary of debtors by customer classification					
Consumers					
Current		199 115 807	264 419 320	199 115 807	264 419 320
0 -30 days		100 496 026	86 770 754	100 496 026	86 770 754
31 - 60 days		87 674 561	13 141 334	87 674 561	13 141 334
61 - 90 days		89 095 517	80 980 201	89 095 517	80 980 201
91 - 120 days		98 689 842	85 234 905	98 689 842	85 234 905
121 - 365 days		749 227 721	637 736 279	749 227 721	637 736 279
> 365 days		4 815 058 210	3 870 704 635	4 815 058 210	3 870 704 635
		6 139 357 684	**5 038 987 428**	**6 139 357 684**	**5 038 987 428**
Industrial/ commercial					
Current		247 061 661	311 237 199	247 061 661	311 237 199
0 -30 days		65 414 639	10 421 845	65 414 639	10 421 845
31 - 60 days		14 526 311	3 625 254	14 526 311	3 625 254
61 - 90 days		14 707 451	16 190 935	14 707 451	16 190 935
91 - 120 days		409 321	14 598 451	409 321	14 598 451
121 - 365 days		104 999 856	105 543 253	104 999 856	105 543 253
> 365 days		364 439 281	276 964 884	364 439 281	276 964 884
		811 558 520	**738 581 821**	**811 558 520**	**738 581 821**

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*
National and provincial government					
Current		62 015 053	64 654 219	62 015 053	64 654 219
0 -30 days		20 100 747	3 201 395	20 100 747	3 201 395
31 - 60 days		3 622 776	341 893	3 622 776	341 893
61 - 90 days		4 635 736	2 339 129	4 635 736	2 339 129
91 - 120 days		2 926 316	2 663 333	2 926 316	2 663 333
121 - 365 days		15 606 204	10 514 063	15 606 204	10 514 063
> 365 days		34 238 211	27 816 931	34 238 211	27 816 931
		143 145 043	**111 530 963**	**143 145 043**	**111 530 963**
Total					
Current		508 192 521	640 310 737	508 192 521	640 310 737
0 -30 days		186 011 412	100 393 993	186 011 412	100 393 993
31 - 60 days		105 823 647	17 108 482	105 823 647	17 108 482
61 - 90 days		108 438 705	99 510 266	108 438 705	99 510 266
91 - 120 days		102 025 479	102 496 689	102 025 479	102 496 689
121 - 365 days		869 833 781	753 793 595	869 833 781	753 793 595
> 365 days		5 213 735 701	4 175 486 450	5 213 735 701	4 175 486 450
		7 094 061 246	**5 889 100 212**	**7 094 061 246**	**5 889 100 212**
Less: Allowance for impairment					
Less allowance for impairment		(6 180 560 525)	(5 079 153 690)	(6 180 560 525)	(5 079 153 690)
Reconciliation of allowance for impairment					
Balance at beginning of the year		(5 079 153 690)	(4 170 370 444)	(5 079 153 690)	(4 170 370 444)
Contributions to allowance		(1 101 406 835)	(908 783 246)	(1 101 406 835)	(908 783 246)
Balance at end of year		**(6 180 560 525)**	**(5 079 153 690)**	**(6 180 560 525)**	**(5 079 153 690)**

For bad debts written off refer to Note 42.

Consumer debtors pledged as security

There are no consumer debtors pledged as security for overdraft facilities of the municipality.

Consumer debtors past due but not impaired

Consumer debtors were past due but not impaired. At 30 June 2025, 205 742 117 (2024: 112 241 588) .

Consumer debtors impaired

As of 30 June 2025, consumer debtors of 6 180 560 525 (2024: 5 079 153 690) were impaired.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	28 099	32 832	25 867	26 577
Bank balances	152 224 334	90 236 363	152 099 272	90 057 664
Short-term deposits	594 408 796	405 723 540	592 432 041	400 870 558
	746 661 229	**495 992 735**	**744 557 180**	**490 954 799**

Average rate of return is based on average interest rate on all bank and investment accounts 7.70 % (2024:8.32 %)

Due to the short term nature of these investments, no amortisation was performed.

No cash and cash equivalents were pledged as security for any financial liabilities.

No restrictions exist with regard to the use of cash except for unspent conditional grants and receipts.

Unspent conditional grants and receipts which included within FNB no 62548623231,62548629403 and 62548632901.

Housing project funds relating to principal - agent relationships as disclosed in note 71 which included withinh FNB no 62856957588.

Funds received on behalf of Department of transport as disclosed in Note 71 which is included within FNB 50941827782.

The municipality had the following bank and investment accounts

`Account number / description	Bank statement balances		Cash book balances	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
FNB - No: 50941827782 (Primary) Demand deposit	91 077 259	48 105 006	89 460 227	44 435 207
FNB - No: 50940058750 (Electronic Transfers) Demand deposit	-	-	313 554	326 927
FNB - No: 50941840627 (Market) Demand deposit	1 092 919	2 656 307	1 092 919	2 656 307
FNB - No: 62069378539 (Oribi Airport)	47 944 307	28 192 023	47 944 307	28 192 023
FNB - No: 62003432846 (Salaries PACs No 1) Demand deposit	-	1 442 922	-	1 442 922
FNB - No: 62006041157 (Post Office) Demand deposit	-	-	13 288 266	13 004 277
FNB - No: 62035467978 (Safe City Primary) Demand deposit	125 062	178 699	125 062	178 699
FNB - No: 62045272143 (Traffic fines) Demand deposit	-	-	-	-
FNB - No: 62548639725 (Airport Development Fund) Call account	30 656	28 411	30 651	28 411
FNB - No: 62548629403 (MIG Grant) Call account	51 766 266	63 481	51 766 266	63 481
FNB - No: 62548623231 (Unspent Conditional Grant) Call account 112 715 873	172 827 781	112 715 873	172 827 781	
FNB - No: 62856957588 (Housing Projects: Principal-Agent) Call account	9 691 590	14 545 447	9 691 590	14 545 447
FNB - No: 62548634460 (Insurance Fund) Call account	8 480 261	7 859 287	8 480 261	7 859 287
FNB - No: 62548632901 (MHOA) Call account	140 111 729	50 207 036	140 111 729	50 207 036
FNB - No: 62548630822 (Housing Accreditation) Call account	10 329 774	6 894 831	10 329 774	6 894 831
FNB - No: 62551687563 (VAT Recovery Grant) Call account	1 105 335	1 024 396	1 105 335	1 024 396
FNB - No: 62531891879 (General Reserves) Call account	48 800 000	44 000 000	48 800 000	44 000 000
FNB - No: 62600253984 (VAT Refund - CRR) Call account	7 256 782	5 017 454	7 256 782	5 017 454
FNB - No: 63096728656 (COID Call account)	958 738	336 663	958 738	336 663
ABSA - No: 9317549203(7 Day Notice)	54 057	7 846 927	54 057	7 846 928
ABSA - No: 9380998089(1 Day Notice)	130 756	120 469	130 756	120 469
ABSA - No:9385720099(1 Day Notice)	198 668 259	90 098 374	198 668 259	90 098 375
Standard - No: 268799725-013 (Housing Rentals Call account)	2 331 970	-	2 331 970	4 852 982
FNB - No: 62035942392 (Safe City) Call account	1 976 755	4 852 982	1 976 755	4 852 982
Total	**734 648 348**	**486 298 496**	**746 633 131**	**500 812 885**

9. Living resources

Economic entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Game animals	886 750	(440 269)	446 481	986 250	(451 843)	534 407

Controlling entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Game animals	886 750	(440 269)	446 481	986 250	(451 843)	534 407

Reconciliation of living resources - Economic entity - 2025

	Opening balance	Increase due to births	Decrease due to deaths	Depreciation	Total
Game animals	534 407	12 000	(54 441)	(45 485)	446 481

Reconciliation of living resources - Economic entity - 2024

	Opening balance	Increase due to births	Decrease due to deaths	Depreciation	Total
Game animals	575 890	17 000	(10 245)	(48 238)	534 407

Reconciliation of living resources - Controlling entity - 2025

	Opening balance	Increase due to births	Decrease due to deaths	Depreciation	Total
Game animals	534 407	12 000	(54 441)	(45 485)	446 481

Reconciliation of living resources - Controlling entity - 2024

	Opening balance	Increase due to births	Decrease due to death	Depreciation	Total
Game animals	575 890	17 000	(10 245)	(48 238)	534 407

Entity as custodian

Msunduzi Local Municipality does not have any custodial responsibility for game animals held on behalf of other entities, including the legislation or similar means that establishes the custodial responsibility over the living resources.

Living resources borrowed from other entities

There are no living resources borrowed from other entities.

Living resources on loan to other entities

There are no living resources on loan to other entities.

Title restrictions

There are no living resources whose title is subject to restrictions.

Restrictions on use or capacity to sell

The are no living resources which are subject to restrictions on use or capacity to sell.

Pledged as security

No living resources have been pledged as security for any financial liabilities.

Compensation from third parties

There was no compensation from third parties for living resources that were impaired, lost or given up during the current financial year.

General Information
Msunduzi Local Municipality Bisley Nature Reserve's main purpose is the conservation of a representative system of biodiversity encompassing fauna, flora and unique scenery within the nature reserve. The municipality does not manage the reserve for reproduction of biodiversity.

The municipality is involved in biological transformation of fauna and flora primarily as a service to the community for the main purpose of recreation rather than for sale.

Other information
Msunduzi Local Municipality has elected the cost model to account for Living resources.

A physical verification of living resources was performed by the conservation department from 5 to 21 May 2025.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Other information
The cost of the species was determined with reference to KZN Ezemvelo Wildlife auction prices.

Capital commitments
Living resources 2025 : Nil (2024: Nil)

10. Agricultural assets

Economic entity	2025			2024		
	Cost / Valuation	Fair value adjustments/ harvests	Carrying value	Cost / Valuation	Fair value adjustments/ harvests	Carrying value
Biological assets - Consumable	82 700 000	13 100 000	95 800 000	76 120 000	6 580 000	82 700 000

Controlling entity	2025			2024		
	Cost / Valuation	Fair value adjustments/ harvests	Carrying value	Cost / Valuation	Fair value adjustments/ harvests	Carrying value
Biological assets - Consumable	82 700 000	13 100 000	95 800 000	76 120 000	6 580 000	82 700 000]

Reconciliation of biological assets that form part of an agricultural activity - Economic entity - 2025

	Opening balance	Decreases due to harvest / sales	Fair value adjustments	Decreases due to fire damage	Total
Biological assets - Consumable	82 700 000	(7 432 992)	22 930 672	(2 397 680)	95 800 000

Reconciliation of biological assets that form part of an agricultural activity - Economic entity - 2024

	Opening balance	Decreases due to harvest / sales	Gains or losses arising from changes in fair value	Total
Biological assets - Consumable	76 120 000	(4 618 051)	11 198 051	82 700 000

Reconciliation of Agricultural assets - Controlling entity - 2025

	Opening balance	Decreases due to harvest / sales	Fair value adjustments	Decreases due to fire damage	Total
Biological asset - Consumable	82 700 000	(7 432 992)	22 930 672	(2 397 680)	95 800 000

Reconciliation of Agricultural assets - Controlling entity - 2024

	Opening balance	Decreases due to harvest / sales	Fair value adjustments	Total
Biological assets - Consumable	76 120 000	(4 618 051)	11 198 051	82 700 000

Non-financial information

The municipality owns a plantation forest that produces felled trees for timber production, separately disclosed as consumable biological assets.

There were timber harvests with a fair value of R7 432 992 (2024:R4 618 051).

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

South African Forestry Company SOC was appointed in terms of section 110 (2) (b) of the MFMA on the 24th July 2023 for a period of three (3) years for the provision of total management for the municipality's plantation. The contract is a net profit share for the period of 3 years.

Refer to note 77 for risk management strategies on agricultural assets.

Commitments

Contractual commitments for the acquisition of agricultural assets 2025 : Nil (2024: Nil)

Pledged as security

No agricultural assets have been pledged as security.

Restrictions imposed by regulations

There are no agricultural assets whose use or capacity to sell is subject to restrictions imposed by regulations.

Methods and assumptions used in determining fair value

The valuation at 30 June 2025 was performed by Malcolm Gardiner.

Malcolm Gardiner is a member of the South African Council for Property Valuers Profession (SACPVP), and have the required qualifications and expertise in the valuation of Agricultural assets.

The valuations conform to South African Valuation Standards and were arrived at by reference to market evidence of transaction prices.

11. Heritage assets

Economic entity	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Artworks	245 384 274	(6 863 809)	238 520 465	245 384 274	(6 863 809)	238 520 465
Crematoriums	9 359 518	(3 256 965)	6 102 553	9 359 518	(3 256 965)	6 102 553
Jewellery	1 380 000	-	1 380 000	1 380 000	-	1 380 000
Legal deposits	55 229 631	-	55 229 631	54 380 971	-	54 380 971
Museums and art gallery	29 427 784	(2 039 511)	27 388 273	30 435 612	(3 047 339)	27 388 273
Other	3 475 896	(867 298)	2 608 598	3 475 896	(867 298)	2 608 598
Parks	2 485 907	(2 193 000)	292 907	1 478 079	(1 185 172)	292 907
Stadiums	3 961 964	(2 069 239)	1 892 725	3 961 964	(2 069 239)	1 892 725
Total	**350 704 974**	**(17 289 822)**	**333 415 152**	**349 856 314**	**(17 289 822)**	**332 566 492**

Controlling entity	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Artworks	245 384 274	(6 863 809)	238 520 465	245 384 274	(6 863 809)	238 520 465
Crematoriums	9 359 518	(3 256 965)	6 102 553	9 359 518	(3 256 965)	6 102 553
Jewellery	1 380 000	-	1 380 000	1 380 000	-	1 380 000
Legal deposits	55 229 631	-	55 229 631	54 380 971	-	54 380 971
Museums and art gallery	29 427 784	(2 039 511)	27 388 273	30 435 612	(3 047 339)	27 388 273
Other	3 475 896	(867 298)	2 608 598	3 475 896	(867 298)	2 608 598
Parks	2 485 907	(2 193 000)	292 907	1 478 079	(1 185 172)	292 907
Stadiums	3 961 964	(2 069 239)	1 892 725	3 961 964	(2 069 239)	1 892 725
Total	**350 704 974**	**(17 289 822)**	**333 415 152**	**349 856 314**	**(17 289 822)**	**332 566 492**

Reconciliation of heritage assets Economic entity - 2025

	Opening balance	Additions	Total
Artworks	238 520 465	-	238 520 465
Crematoriums	6 102 553	-	6 102 553
Jewellery	1 380 000	-	1 380 000
Legal deposits	54 380 971	848 660	55 229 631
Museums and art gallery	27 388 273	-	27 388 273
Other	2 608 598	-	2 608 598
Parks	292 907	-	292 907
Stadiums	1 892 725	-	1 892 725
	332 566 492	**848 660**	**333 415 152**

Reconciliation of heritage assets Economic entity - 2024

	Opening balance	Additions	Impairment losses recognised	Total
Artworks	238 456 890	63 575	-	238 520 465
Crematoriums	6 102 553	-	-	6 102 553
Jewellery	1 380 000	-	-	1 380 000
Legal deposits	53 991 154	389 817	-	54 380 971
Museums and art gallery	29 086 857	-	(1 698 584)	27 388 273
Other	2 608 598	-	-	2 608 598
Parks	1 300 735	-	(1 007 828)	292 907
Stadiums	1 892 725	-	-	1 892 725
	334 819 512	**453 392**	**(2 706 412)**	**332 566 492**

Reconciliation of heritage assets Controlling entity - 2025

	Opening balance	Additions	Total
Artworks	238 520 465	-	238 520 465
Crematoriums	6 102 553	-	6 102 553
Jewellery	1 380 000	-	1 380 000
Legal deposits	54 380 971	848 660	55 229 631
Museums and art gallery	27 388 273	-	27 388 273
Other	2 608 598	-	2 608 598
Parks	292 907	-	292 907
Stadiums	1 892 725	-	1 892 725
	332 566 492	**848 660**	**333 415 152**

Reconciliation of heritage assets Controlling entity - 2024

	Opening balance	Additions	Impairment losses recognised	Total
Artworks	238 456 890	63 575	-	238 520 465
Crematoriums	6 102 553	-	-	6 102 553
Jewellery	1 380 000	-	-	1 380 000
Legal deposits	53 991 154	389 817	-	54 380 971
Museums and art gallery	29 086 857	-	(1 698 584)	27 388 273
Other	2 608 598	-	-	2 608 598
Parks	1 300 735	-	(1 007 828)	292 907
Stadiums	1 892 725	-	-	1 892 725
	334 819 512	**453 392**	**(2 706 412)**	**332 566 492**

Restrictions on heritage assets

There are no ownership and disposal restrictions on heritage assets.

There are no contractual commitments for the acquisitions, maintenance and restoration of heritage assets

Pledged as security

No heritage assets have been pledged as security for any financial liabilities.

Contractual commitments for the acquisition, maintenance and restoration of heritage assets

There are no contractual commitments for the acquisitions, maintenance and restoration of heritage assets.

Revaluations

Heritage assets

Artworks and jewellery whose fair value can be measured reliably are carried at the revalued amount, being their fair value at the date of valuation less any subsequent impairment losses.

The artworks is valued as at 30 June 2023.

According to the municipality's accounting policy, artworks are revalued every 4 years.

Jewellery has been valued as at 30 June 2023.

According to the municipality's accounting policy, jewellery is revalued every 4 years.

Legal Deposit collection at the Bessie Head Library

The legal deposit materials was valued by Paul Myson who is a qualified valuer specialising in the valuation of heritage assets.

Expenditure incurred to repair and maintain heritage assets

There were no repairs and maintenance costs incurred in the current year.

12. Intangible assets

Economic entity 2025 2024

	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	136 703 922	(104 929 793)	31 774 129	124 478 526	(100 529 202)	23 949 324
Servitudes	803 846	-	803 846	803 846	-	803 846
Total	**137 507 768**	**(104 929 793)**	**32 577 975**	**125 282 372**	**(100 529 202)**	**24 753 170**

Controlling entity 2025 2024

	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	136 703 922	(104 929 793)	31 774 129	124 478 526	(100 529 202)	23 949 324
Servitudes	803 846	-	803 846	803 846	-	803 846
Total	**137 507 768**	**(104 929 793)**	**32 577 975**	**125 282 372**	**(100 529 202)**	**24 753 170**

Reconciliation of intangible assets - Economic entity - 2025

	Opening balance	Work in progress	Amortisation	Total
Computer software, other	23 949 324	12 894 380	(5 069 575)	31 774 129
Servitudes	803 846	-	-	803 846
	24 753 170	**12 894 380**	**(5 069 575)**	**32 577 975**

Reconciliation of intangible assets - Economic entity - 2024

	Opening balance	Additions	Work in progress	Amortisation	Total
Computer software, other	23 109 454	89 000	6 003 439	(5 252 569)	23 949 324
Servitudes	803 846	-	-	-	803 846
	23 913 300	**89 000**	**6 003 439**	**(5 252 569)**	**24 753 170**

Reconciliation of intangible assets - Controlling entity - 2025

	Opening balance	Work in progress	Amortisation	Total
Computer software, other	23 949 324	12 894 380	(5 069 575)	31 774 129
Servitudes	803 846	-	-	803 846
	24 753 170	12 894 380	(5 069 575)	32 577 975

Reconciliation of intangible assets - Controlling entity - 2024

	Opening balance	Additions	Work in progress	Amortisation	Total
Computer software, other	23 109 454	89 000	6 003 439	(5 252 569)	23 949 324
Servitudes	803 846	-	-	-	803 846
	23 913 300	**89 000**	**6 003 439**	**(5 252 569)**	**24 753 170**

Pledged as security

No intangible assets have been pledged as security for any financial liabilities.

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*
Commitments					
Computer software, other		31 162 528	34 978 714	31 162 528	34 978 714

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Intangible assets in the process of being constructed or developed					
Cumulative expenditure recognised in the carrying value of Intangible assets					
Opening balance		-	-	-	-
Additions		12 894 380	6 003 439	12 894 380	6 003 439
Transferred to completed assets		(1 167 907)	(6 003 439)	(1 167 907)	(6 003 439)
		11 726 473	**-**	**11 726 473**	**-**

Restricted title

There are no intangible assets whose title is restricted.

Details of valuation

Servitudes were assessed for impairment using the depreciated replacement cost method. The software was assessed for impairment based on utilisation by the municipality.

Servitudes have an infinite useful life as they are rights held by the municipality to property.

The software were assessed for impairment based on utilisation by the municipality.

13. Investment property

Economic entity	2025			2024		
	Valuation at the beginning	Fair value adjustments/ additions	Carrying value	Valuation at the beginning	Fair value adjustments/ additions	Carrying value
Investment property	922 391 726	6 037 479	928 429 205	952 772 121	(30 380 395)	922 391 726

Controlling entity	2025			2024		
	Valuation at the beginning	Fair value adjustments/ additions	Carrying value	Valuation at the beginning	Fair value adjustments/ additions	Carrying value
Land and buildings	922 391 726	6 037 479	928 429 205	952 772 121	(30 380 395)	922 391 726

Reconciliation of investment property - Economic entity - 2025

	Opening balance	Derecognition	Fair value adjustments	Total
Investment property	922 391 726	(4 498 521)	10 536 000	928 429 205

Reconciliation of investment property - Economic entity - 2024

	Opening balance	Work in progress	Derecognition	Transfers	Fair value adjustments	Total
Investment property	952 772 121	50 396	(6 218 000)	(24 409 691)	196 900	922 391 726

Reconciliation of investment property - Controlling entity - 2025

	Opening balance	Derecognition	Fair value adjustments	Total
Land and buildings	922 391 726	(4 498 521)	10 536 000	928 429 205

Reconciliation of investment property - Controlling entity - 2024

	Opening balance	Work in progress	Derecognition	Transfers	Fair value adjustments	Total
Land and buildings	952 772 121	50 396	(6 218 000)	(24 409 691)	196 900	922 391 726

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Pledged as security					
No investment property has been pledged as security for any financial liabilities.					
Investment property in the process of being constructed or developed					
Cumulative expenditure recognised in the carrying value of Investment property					
Opening balance		-	28 256 936	-	28 256 936
Additions		-	50 396	-	50 396
Transferred to completed assets		-	(28 307 332)	-	(28 307 332)
		-	-	-	-

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

The valuation at 30 June 2025 was performed by Muhamed Chand & Ockert Brits under SMEC.

Muhamed Chand & Ockert Brits are members of the South African Council for Property Valuers Profession (SACPVP), and have the required qualifications and expertise in the valuation of Investment properties.

The valuation was based on open market value for existing use.

These assumptions are based on current market conditions.

The valuations conform to South African Valuation Standards and were arrived at by reference to market evidence of transaction prices for similar properties.

Investment property has been accounted for in terms of GRAP 16 and comprises both land and buildings owned by Msunduzi Municipality.

Investment property is not depreciated but annually valued at year end in order to determine their fair value as prescribed in GRAP 16.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	28 983 013	32 946 814	28 983 013	32 946 814

The municipality does not hold any operating property interest.

There were no repairs, maintenance and direct operating expenses related to investment property incurred in the current year.

Tenants are responsible for repairs and maintenance.

Included in Investment property is vacant land which has been invaded/illegally occupied. The land has a carrying value of R18 864 000 (2024 : R22 486 000).

The illegally occupied land is not considered impaired by management as the service potential is not considered affected as this land is addressed by the Rapid urbanisation management within the parameters of the approved land use scheme.

14. Property, plant and equipment

Economic entity	2025 Cost / Valuation	2025 Accumulated depreciation and accumulated impairment	2025 Carrying value	2024 Cost / Valuation	2024 Accumulated depreciation and accumulated impairment	2024 Carrying value
Land and buildings	1 278 009 697	(376 623 214)	901 386 483	1 248 849 354	(366 981 593)	881 867 761
Infrastructure	10 607 597 861	(4 662 300 794)	5 945 297 067	9 903 912 994	(4 412 257 457)	5 491 655 537
Community assets	854 150 449	(454 412 527)	399 737 922	884 251 351	(431 723 445)	452 527 906
Movable assets	682 502 629	(434 349 314)	248 153 315	645 753 632	(415 470 914)	230 282 718
Other properties	429 811 338	(314 928 320)	114 883 018	424 414 232	(307 718 204)	116 696 028
Total	**13 852 071 974**	**(6 242 614 169)**	**7 609 457 805**	**13 107 181 563**	**(5 934 151 613)**	**7 173 029 950**

Controlling entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land and buildings	1 278 009 697	(376 623 214)	901 386 483	1 248 849 354	(366 981 593)	881 867 761
Infrastructure	10 607 597 861	(4 662 300 794)	5 945 297 067	9 903 912 994	(4 412 257 457)	5 491 655 537
Community assets	854 150 449	(454 412 527)	399 737 922	884 251 351	(431 723 445)	452 527 906
Movable assets	664 904 805	(422 913 535)	241 991 270	627 563 252	(404 142 217)	223 421 035
Other properties	429 811 338	(314 928 320)	114 883 018	424 414 232	(307 718 204)	116 696 028
Total	**13 834 474 150**	**(6 231 178 390)**	**7 603 295 760**	**13 088 991 183**	**(5 922 822 916)**	**7 166 168 267**

Reconciliation of property, plant and equipment - Economic entity - 2025

	Opening balance	Additions	Disposals	Transfers	Work in progress	Depreciation	Impairment loss	Total
Land and buildings,	881 867 761	-	(455)	11 078 414	18 082 384	(9 641 621)	-	901 386 483
Infrastructure	5 491 655 537	55 669 400	-	31 365 384	616 990 352	(249 850 854)	(532 752)	5 945 297 067
Community assets	452 527 906	-	-	(47 414 386)	17 315 245	(16 270 284)	(6 420 559)	399 737 922
Movable assets	230 282 718	64 349 598	(3 636 506)	14 638	-	(36 191 244)	(6 665 889)	248 153 315
Other properties	116 696 028	-	-	(329 331)	5 726 671	(7 210 350)	-	114 883 018
	7 173 029 950	**120 018 998**	**(3 636 961)**	**(5 285 281)**	**658 114 652**	**(319 164 353)**	**(13 619 200)**	**7 609 457 805**

Reconciliation of property, plant and equipment - Economic entity - 2024

	Opening balance	Additions	Disposals	Transfers	Work in progress	Depreciation	Impairment loss	Total
Land and buildings	862 523 411	-	(91 000)	(5 748 661)	38 845 968	(13 661 957)	-	881 867 761
Infrastructure	5 266 630 271	29 477 440	-	42 218 109	442 046 532	(288 716 815)	-	5 491 655 537
Community assets	440 022 088	-	-	(17 739 376)	48 559 453	(18 232 454)	(81 805)	452 527 906
Movable assets	189 303 456	79 103 274	(3 331 972)	(10 833 527)	371 500	(24 330 013)	-	230 282 718
Other properties	125 345 214	-	-	(547 078)	1 462 849	(9 564 957)	-	116 696 028
	6 883 824 440	**108 580 714**	**(3 422 972)**	**7 349 467**	**531 286 302**	**(354 506 196)**	**(81 805)**	**7 173 029 950**

Reconciliation of property, plant and equipment - Controlling entity - 2025

	Opening balance	Additions	Disposals	Transfers	Work in progress	Depreciation	Impairment loss	Total
Land and buildings	881 867 761	-	(455)	11 078 414	18 082 384	(9 641 621)	-	901 386 483
Infrastructure	5 491 655 537	55 669 400	-	31 365 384	616 990 352	(249 850 854)	(532 752)	5 945 297 067
Community assets	452 527 906	-	-	(47 414 386)	17 315 245	(16 270 284)	(6 420 559)	399 737 922
Movable assets	223 421 035	64 298 327	(3 550 989)	14 638	-	(35 525 852)	(6 665 889)	241 991 270
Other properties	116 696 028	-	-	(329 330)	5 726 671	(7 210 351)	-	114 883 018
	7 166 168 267	**119 967 727**	**(3 551 444)**	**(5 285 280)**	**658 114 652**	**(318 498 962)**	**(13 619 200)**	**7 603 295 760**

Reconciliation of property, plant and equipment - Controlling entity - 2024

	Opening balance	Additions	Disposals	Transfers	Work in progress	Depreciation	Impairment loss	Total
Land and buildings	862 523 411	-	(91 000)	(5 748 661)	38 845 968	(13 661 957)	-	881 867 761
Infrastructure	5 266 630 270	29 477 440	-	42 218 111	442 046 532	(288 716 816)	-	5 491 655 537
Community assets	440 022 089	-	-	(17 739 376)	48 559 453	(18 232 455)	(81 805)	452 527 906
Movable assets	181 579 849	79 088 669	(3 202 889)	(10 833 527)	371 500	(23 582 567)	-	223 421 035
Other properties	125 345 215	-	-	(547 079)	1 462 849	(9 564 957)	-	116 696 028
	6 876 100 834	**108 566 109**	**(3 293 889)**	**7 349 468**	**531 286 302**	**(353 758 752)**	**(81 805)**	**7 166 168 267**

Pledged as security

No property, plant and equipment has been pledged as security for any financial liabilities.

Other information

Refer to Appendix A for detailed property, plant and equipment schedule.

During the year the municipality undertook a conditional assessment of fixed assets, which culminated in the additional decreases/increases in remaining useful lives of assets.

The municipality applies the depreciated replacement cost method to calculate impairment.

Other properties

Included in Other properties, Markets,Workshops and Depots, Sewerage and dump sites,Training centres,Landfill sites, Airports, Nurseries.

Movable Assets
Movable assets include Office machines, Furniture and fittings, Fire and medical equipment, Motor vehicles, Containers and Plant and equipment.

Property plant and equipment were impaired by R11 623 195 (2024 : R81 805) as a result of conditional assessment.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Invaded land

Included in Property, plant and equipment is vacant land which has been invaded/illegally occupied. The land has a carrying value of R25 222 261 (2024 : R25 222 261).The illegally occupied land is not considered impaired by management as the service potential is not considered affected as this land is addressed by the Rapid urbanisation management within the parameters of the approved land use scheme.

Reconciliation of Work-in-Progress Economic entity - 2025

	Included within land and buildings	Included within infrastructure	Included within community assets	Included within movable assets	Included within other properties	Total
Opening balance	40 839 178	578 569 915	97 637 811	-	1 668 866	718 715 770
Additions	18 082 384	616 990 352	17 315 245	-	5 726 671	658 114 652
Transferred to completed assets	(20 046 723)	(644 701 135)	(47 414 385)	-	(329 329)	(712 491 572)
	38 874 839	**550 859 132**	**67 538 671**	**-**	**7 066 208**	**664 338 850**

Reconciliation of Work-in-Progress Economic entity - 2024

	Included within land and buildings	Included within infrastructure	Included within community assets	Included within movable assets	Included within other properties	Total
Opening balance	31 580 156	928 183 217	84 389 162	3 509 362	753 095	1 048 414 992
Additions	38 845 968	442 046 532	48 559 453	371 500	1 462 849	531 286 302
Transferred to completed assets	(29 586 946)	(791 659 834)	(35 310 804)	(3 880 862)	(547 078)	(860 985 524)
	40 839 178	**578 569 915**	**97 637 811**	**-**	**1 668 866**	**718 715 770**

Reconciliation of Work-in-Progress Controlling entity - 2025

	Included within land and buildings	Included within infrastructure	Included within community assets	Included within movable assets	Included within other properties	Total
Opening balance	40 839 178	578 569 915	97 637 811	-	1 668 866	718 715 770
Additions	18 082 384	616 990 352	17 315 245	-	5 726 671	658 114 652
Transferred to completed assets	(20 046 723)	(644 701 135)	(47 414 385)	-	(329 329)	(712 491 572)
	38 874 839	**550 859 132**	**67 538 671**	**-**	**7 066 208**	**664 338 850**

Reconciliation of Work-in-Progress Controlling entity - 2024

	Included within land and buildings	Included within infrastructure	Included within community assets	Included within movable assets	Included within other properties	Total
Opening balance	31 580 156	928 183 217	84 389 162	3 509 362	753 095	1 048 414 992
Additions	38 845 968	442 046 532	48 559 453	371 500	1 462 849	531 286 302
Transferred to completed assets	(29 586 946)	(791 659 834)	(35 310 804)	(3 880 862)	(547 078)	(860 985 524)
	40 839 178	**578 569 915**	**97 637 811**	**-**	**1 668 866**	**718 715 770**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance					
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance					
Buildings		213 376 607	242 284 742	213 376 607	242 284 742
Infrastructure assets		184 900 118	129 427 206	184 900 118	129 427 206
Movable assets		50 187 517	57 732 168	50 096 935	57 686 445
Other properties		-	309 269	-	309 269
		448 464 242	**429 753 385**	**448 373 660**	**429 707 662**

Repairs and maintenance on property, plant and equipment is included in General expenses, inventory consumed and operating leases.

Projects taking a significantly longer period of time to complete than expected	Reason for project taking long	2025	2024
IRPTN project	Other phases of project were completed ,the expenditure amount is for the bridge designs the project has not been implimented, the municipality is currently prereadmitted into the grant as of the 1st of July 2024 and the current focus is to operationalize phase 1A of the IRPTN project. Thereafter other phases will be implemented at a later stage due to these conditions set by the funder. The project is therefore delayed	56 118 541	56 118 541
Community hall ward 7	There was a delay in submiting the drawings to building plans ,the project is now completed	-	10 622 828
Community hall ward 8	The contractor for ward 8 was terminated on 22 January 2024 .the project was suppose to be completed by 31 of March 2024 but contractor failed to meet his obligations ,hence the termination .Council has appointed a new contractor to proceed with construction	9 456 831	8 843 981
Edendale Town Centre	The project is delayed due to legal complexities, expropriation and relocation of Informal settlements. Construction has bee done up the section affected by Land	27 398 302	9 617 003
Grimthorpe Avenue river bridge	The project is on hold due to insufficient funding to start construction.	64 232	64 232
Willowfountain road extension	The project is on hold due to insufficient funding to start the project.	2 752 260	7 607 898
Community hall ward 6 Kwaqanda	The project was decommissioned at COGTA	494 674	494 674
Community hall ward 24	The project was delayed due to land issues ,which have since been resolved and a new site identified for implimentation.	4 638 856 2	795 083
Community hall ward 34 - Madiba Hall	Delay due to non payments	8 020 688	5 048 238
Vulindlela D2069 phase 3	Project is under investigation	15 791 575	-
		124 735 959	**101 212 478**

Projects halted	Reasons	2025	2024
Shooting range	The project was under investigation. The investigation has since been finalised.	4 699 554	-
KwaPata multi purpose centre	The project is halted due to insufficient funding.	1 733 221	-
The Hollingwood cemetery project	Statutory approvals for development of the cemetery were completed during the 2012/13, Only the parking area was completed to date as the Sobantu community halted this project due to housing needs. The impasse between the community and has not been resolved and the project has been suspended since then.	4 874 038	4 874 038
Mayor's Walk road widening	The project is halted due to insufficient funding.	1 435 825	1 435 825
Design and construction of east ring road	The project is halted due to insufficient funding to start construction.	2 449 450	2 449 450
Techno Hub	The project has not commenced due to funding contraints. Only the preliminary designs were undertaken.	1 467 147	1 467 147
Connor - Ottos Bluff Road -link	This project is halted due to non availability of funds.	129 620	129 620
New pool In Vulindlela I/404431.002	Projects never reach the implementation stage due to budget limitations	4 272 739	-
Revitalisation of Alexandra Paerk Promonade I/404390.001	Project never reach the implementation stage due to budget limitations	160 500	-
Proposed upgrades to Alexandra Library I/404513.008	Project never reach the implementation stage due to budget limitations	2 306 653	-
Kwapata recycling centre	Project never reach the implementation stage due to budget limitations	69 291	-
Impl Master Plan Sports Fac Ph1 Moses Mabhida Youth Center	The construction of Moses Mabhida youth centre has stopped due to financial constraints	2 111 205	-

Projects halted	Reasons	2025	2024
Edendale Town Centre: Promenade2	The project was initiated around 2016 where the permission to undertake planning and design processes was granted by National treasury indeed stage 1 was undertaken and concluded in 2018 ,during the planning stage discovered that the project area and road alignment is affected by +-45 informal housesthat were located in the area.	1 672 722	-
		27 381 965	**10 356 080**

Capital projects that have experienced significant delays or have been halted were assessed for impairment in accordance with GRAP 21/26. As a result, an impairment loss of R4 699 553,89 was recognised against the Shooting Range Project and R1 996 005,52 against the Community hall ward 24 during the reporting period.

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Commitments					
Land		1 725 884	2 463 900	1 725 884	2 463 900
Infrastructure		267 238 929	231 782 247	267 238 929	231 782 247
Community assets		30 798 692	20 953 608	30 798 692	20 953 608
Movable assets		1 527 811	1 210 000	1 527 811	1 210 000
Other properties		15 412 933	33 278 034	15 412 933	33 278 034
		316 704 249	**289 687 789**	**316 704 249**	**289 687 789**

15. Consumer deposits

Electricity	119 990 633	108 735 418	119 990 633	108 735 418
Landfill site	47 166	47 166	47 166	47 166
Market buyer's card	5 967 437	7 217 692	5 967 437	7 217 692
Refuse	72 424	65 929	72 424	65 929
Rental properties	3 180 707	3 201 631	3 180 707	3 201 631
Sewer	9 925	9 925	9 925	9 925
Valuation appeal	8 907	8 907	8 907	8 907
Water	37 824 407	33 070 760	37 824 407	33 070 760
	167 101 606	**152 357 428**	**167 101 606**	**152 357 428**

16. Other financial liabilities

At amortised cost				
DBSA loan	350 590 805	166 586 311	350 590 805	166 586 311

DBSA - funding required for capital expenditure. Loans bear interest rates between 6.75% and 16.50% (2024: 6.75% and 16.50%). Loans are repayable over a period between 10 to 20 years, repayments are made quarterly and bi-annually.

During the reporting period the municipality did not default on any of the interest or capital repayments of the external loans.

There are no other financial liabilities pledged as security.

Non-current liabilities				
At amortised cost	315 531 725	116 274 950	315 531 725	116 274 950
Current liabilities				
At amortised cost	35 059 080	50 311 361	35 059 080	50 311 361
Reconciliation of other financial liabilities				
Opening balance	166 586 311	124 581 611	166 586 311	124 581 611
Additions	234 315 856	116 274 950	234 315 856	116 274 950
Repayments	(50 311 362)	(74 270 250)	(50 311 362)	(74 270 250)
	350 590 805	**166 586 311**	**350 590 805**	**166 586 311**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*

17. Transfers payable (non-exchange)

Advance receipts - Transfers	9 211 529	12 566 995	9 211 529	12 566 995
Beneficiary Audit and Transfers				
Balance at beginning of year	4 730 609	4 655 806	4 730 609	4 655 806
Current year interest received	316 857	382 552	316 857	382 552
Payments to date	(1 392 549)	(307 749)	(1 392 549)	(307 749)
Balance in terms of the advance receipt	**3 654 917**	**4 730 609**	**3 654 917**	**4 730 609**

Funding provided by Department of Human Settlements as part of the restoration programme to assist in fast tracking the issuing of title deeds to the people of Msunduzi. The arrangement is through the MOA in order for the Provincial Department to provide funding in advance to the Municipality for appointment of social facilitators and a panel of conveyancers to undertake this process Beneficiary Audit and Transfers.

The Beneficiary Audit and Transfers was a National Programme which was then delegated to the Municipality through Provincial Department of Human Settlements. The EEDBS was a National program which was delegated to Municipalities in order to ensure that restoration of title deeds for houses constructed in Pre 1994 through the Housing Subsidy Scheme It was an existing programme that was handed over to the Municipality and the Municipality provided with the funding. The Municipality has no power to determine the beneficiary list . The project is solely for the transfer of title deeds to rightful owners. Title deeds are legal documents which the Municipality is not allowed to sell to beneficiaries and neither can those be use by the Municipality for own use.

The Municipality is not exposed to variability of the transactions, The Provincial Department of Humans settlements is responsible for fulfilling all rights and obligations. Even in the event of disputes the Provincial Department and the court make the final determinations on who the beneficiaries will be.

Significantly the arrangement was for the Department to transfer funds into the Municipality in order for the Municipality to undertake beneficiary verification and transfers of completed housing units. The purpose of the Principal-Agent relationship with regards to the Beneficiary Audit and Transfers is to task the municipality to review all projects approved prior to 1994 and ensure that beneficiary verification in completed to facilitate transfers without the municipality being exposed to any risks associated with the implementation of the Programme.

Priority Projects -Military Veterans				
Balance at beginning of year	2 986 407	3 445 508	2 986 407	3 445 508
Payments to date	(153 650)	(459 101)	(153 650)	(459 101)
Balance in terms of the advance receipt	**2 832 757**	**2 986 407**	**2 832 757**	**2 986 407**

The arrangement between the Municipality and the Provincial Department of Human Settlements is to undertake planning, design and servicing of various pieces of land for priority human settlements programmes such as military veterans and other affordable housing programmes in the Msunduzi Municipal area of jurisdiction. The department is responsible in fulfilling rights and obligation with respect to payment of service providers as well as processing of allocation of beneficiaries. The Municipality through the MOA signed between both parties undertook transactions with implementing agents on behalf of the department to get the sites ready for Human settlements projects (various pieces of land) . The sites will be handed over to the Provincial Department of Human Settlement once ready for housing development.

Title Deeds Restoration Programme				
Balance at beginning of year	3 889 627	4 495 715	3 889 627	4 495 715
Payments to date	(2 126 124)	(606 088)	(2 126 124)	(606 088)
Balance in terms of the advance receipt	**1 763 503**	**3 889 627**	**1 763 503**	**3 889 627**

Funds provided by the Provincial Department of Human Settlements to assist the municipality to ensure that people approved through the enhanced extended discount benefit scheme and the housing delivery programme, their ownership is confirmed through this title deeds restoration grant.

The Municipality is not exposed to variability of the transactions, The Provincial Department of Humans settlements is responsible for fulfilling all rights and obligations. Even in the event of disputes the Provincial Department and the court make the final determinations on the beneficiaries.

Significantly the arrangement was for the Department to transfer funds into the Municipality in order for the Municipality to undertake beneficiary verification and transfers of completed housing units. The purpose of the Principal-Agent relationship with regards to the Beneficiary Audit and Transfers is to task the Municipality to review all projects approved prior to 1994 and ensure that beneficiary verification is completed to facilitate transfers without the municipality being exposed to any risks associated with the implementation of the Programme

Title Deeds Activities				
Balance at beginning of year	960 352	2 971 174	960 352	2 971 174
Payments to date	-	(2 010 822)	-	(2 010 822)
Balance in terms of the advance receipt	**960 352**	**960 352**	**960 352**	**960 352**

Funds provided by the Provincial Department of Human Settlements for services to be rendered for the Title Deeds Programme.

Significantly the arrangement was for the Department to transfer funds into the Municipality in order for the Municipality to undertake more activities for the Title deeds programme. The purpose of the Principal-Agent relationship with regards to the Beneficiary Audit and Transfers is to task the municipality to review all projects approved prior to 1994 and ensure that beneficiary verification in completed to facilitate transfers without the municipality being exposed to any risks associated with the implementation of the Programme.

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*

18. Payables from exchange transactions

Accrued leave pay	154 648 578	151 203 091	154 648 578	151 203 091
Auditor General	959 571	738 844	959 571	738 844
Accruals	285 583 530	216 053 800	289 156 450	215 028 409
Advance payments	20 253 358	9 556 552	20 253 358	9 556 552
Credit balances in debtors	144 031 346	130 699 219	144 031 346	130 699 219
Electricity bulk purchases	1 813 482 512	1 106 112 712	1 813 482 512	1 106 112 712
Payroll related	18 264 781	30 539 454	18 264 781	30 539 454
Retention liability	45 741 651	28 856 663	45 741 651	28 856 663
Surety	60 000	60 000	60 000	60 000
Trade payables	297 038 183	417 004 931	297 038 183	417 004 931
Unallocated deposits	1 760 990	1 611 338	1 760 990	1 611 338
Water bulk purchases	199 043 675	210 000 000	199 043 675	210 000 000
	2 980 868 175	**2 302 436 604**	**2 984 441 095**	**2 301 411 213**

19. Provisions

Reconciliation of provisions - Economic entity - 2025

	Opening Balance	Additions	Change in discount factor	Reduction due to remeasurement or settlement without cost to entity	Total
Litigation	106 046	(54 296)	-	-	51 750
Landfill rehabilitation	50 704 171	-	(194 862)	(258 010)	50 251 299
	50 810 217	**(54 296)**	**(194 862)**	**(258 010)**	**50 303 049**

Reconciliation of provisions - Economic entity - 2024

	Opening Balance	Additions	Change in discount factor	Reduction due to remeasurement or settlement without cost to entity	Total
Litigation	-	106 046	-	-	106 046
Landfill rehabilitation	71 154 924	-	(1 116 235)	(19 334 518)	50 704 171
	71 154 924	**106 046**	**(1 116 235)**	**(19 334 518)**	**50 810 217**

Reconciliation of provisions - Controlling entity - 2025

	Opening Balance	Utilised during the year	Change in discount factor	Reduction due to remeasurement or settlement without cost to entity	Total
Litigation	106 046	(54 296)	-	-	51 750
Landfill rehabilitation	50 704 171	-	(194 862)	(258 010)	50 251 299
	50 810 217	**(54 296)**	**(194 862)**	**(258 010)**	**50 303 049**

Reconciliation of provisions - Controlling entity - 2024

	Opening Balance	Additions	Change in discount factor	Reduction due to remeasurement or settlement without cost to entity	Total
Litigation	-	106 046	-	-	106 046
Landfill rehabilitation	71 154 924	-	(1 116 235)	(19 334 518)	50 704 171
	71 154 924	**106 046**	**(1 116 235)**	**(19 334 518)**	**50 810 217**

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*
Non-current liabilities		44 537 726	44 650 093	44 537 726	44 650 093
Current liabilities		5 765 323	6 160 124	5 765 323	6 160 124
		50 303 049	**50 810 217**	**50 303 049**	**50 810 217**

The excess in provision liability is the amount by which the liability provision exceeds the carrying amount of the provision asset and is recogonised in the Statement of Financial Performance in terms of paragraph 5(b) of IGRAP 2. Amount recognised 2025 : R6 506 950 (2024 : R29 430 504)

Landfill rehabilitation

The landfill rehabilitation provision represents management's best estimate of the municipality's rehabilitation liability based on a valuation provided by an external consultant on the remaining useful life of the landfill site.

One Pangea Expertise and Solutions was appointed to perform the annual valuation of the provision for the rehabilitation and closure costs of the New England Road landfill site.

At the end of the life of the landfill site, the municipality is expected to restore the landfill site to the condition it was before its use.

According to the National Environmental Management Act, Act 107 of 1998, the operation of a landfill results in an obligation to rehabilitate the landfill and prevent any further pollution after closure thereof. The landfill site provision was created to ensure that the site is environmentally and publicly acceptable and suited to the implementation of the proposed end-use. The estimated remaining life of the landfill site is 3.9 years.

The key assumptions used by the experts:
Net discount rate 5.13%
Average density of the waste 0.7 tonnes per cubic metres
Expected growth rate of waste generation 2.57%
Excavatable cover depth 2.5 metres
Cover to waste ratio 1.25

The municipality was declared to have been in breach of the Variation Waste Management Licence(WML) issues by the department of Economic Development, Tourism and Environmental Affairs (KwaZulu-Natal) on 3 July 2017, in respect of operation of the New England Road Landfill Site on Lot 1853 of the Farm Darvill No 15036, New England Road, Pietermaritzburg.

The High Court of South Africa issued a court order directing the Municipality to discharge its duty of care and remediation of environment as required by section 28(1) and (3) of the National Environmental Management Act 107 of 1998.

The municipality has ensured that it complies with the directives of the court order and with the prescripts of the WML. This has been done through an approved audit action plan which is a list of actions the municipality is required to undertake to be compliant with the WML. The implementation of the action plan is in progress enroute to compliance and is currently at finalisation stage.

Litigation
Litigations against the Municipality recognized as provisions are those that the appointed attorneys have considered probable that the Municipality is liable and an outflow of economic benefits associated with the litigation is expected and the costs can be measured reliably.

Key assumptions provided by legal counsel are:
Net effective discount rate varies case by case and range from prime rate to 15.5%

Alien vegetation provision

According to the National Environmental Management Act, 1998 (Act No. 107 of 1998) the municipality was encouraged to recognise a provision in this regard.

The Department of Agriculture has since 2006 provided considerable support to the municipality in terms of clearing listed alien invasive plants.

The municipality's involvement and responsibility is effectively operational support to the Department of Agriculture for the clearing of listed alien invasive plants.

20. Employee benefit obligations

Defined benefit plans - General information

Post employment medical aid

The characteristic of this defined benefit plan is that the municipality provides post-retirement benefits by subsidising the medical aid contributions of eligible retired staff who elect to continue with their medical aid at retirement.

The nature of the benefits provided by the plan are as follows, continuation members and their eligible dependants receive a 60% subsidy, with the exception of continuation members who retired prior to 2004, who receive a 65% subsidy. All 60% postemployment subsidies are subject to a maximum of R 5 791 per principal member per month.

The basis on which the discount rate has been determined is: Deduction from the fixed-interest and index-linked bond yield curves obtained from the Johannesburg Stock Exchange.

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*

Long service awards

The characteristics of this defined benefit plan is that Municipality offers employees long service awards for every five years of service completed, from five years of service to 45 years of service, inclusive.

The nature of the benefits provided by the plan are that in the month that each completed service milestone is reached, the employee is granted a long service award. Working days awarded are valued at 1/249th of annual earnings per day. An employee may choose to take the long service leave due to him/her or encash it. Whatever the employee chooses, it must be done in the same leave year in which he/she qualified for such leave.

The regulatory framework in which the plan operates is the SALGA conditions of service collective agreement which stipulates that employees qualify for long service leave upon completion of the specified periods in the agreement.

The basis on which the discount rate has been determined is: Deduction from the fixed-interest and index-linked bond yield curves obtained from the Johannesburg Stock Exchange.

The amounts recognised in the statement of financial position are as follows:

Carrying value				
Present value of the defined benefit obligation-wholly unfunded	(696 337 001)	(619 240 001)	(696 337 001)	(619 240 001)
Non-current liabilities	(649 005 001)	(572 205 000)	(649 005 001)	(572 205 000)
Current liabilities	(47 332 000)	(47 035 001)	(47 332 000)	(47 035 001)
	(696 337 001)	**(619 240 001)**	**(696 337 001)**	**(619 240 001)**
Changes in the net defined liability (asset) are as follows:				
Opening balance	(619 240 001)	(595 253 001)	(619 240 001)	(595 253 001)
Service cost	(21 748 000)	(20 640 000)	(21 748 000)	(20 640 000)
Net interest expense	(71 345 000)	(69 247 000)	(71 345 000)	(69 247 000)
Remeasurements	(30 158 977)	16 692 958	(30 158 977)	16 692 958
Payments from the plan	46 154 977	49 207 042	46 154 977	49 207 042
	(696 337 001)	**(619 240 001)**	**(696 337 001)**	**(619 240 001)**
Represented by:				
Net defined benefit liability (asset) - Post employment medical aid	(603 466 001)	(534 303 001)	(603 466 001)	(534 303 001)
Net defined benefit liability (asset) - Long service awards	(92 871 000)	(84 937 000)	(92 871 000)	(84 937 000)
	(696 337 001)	**(619 240 001)**	**(696 337 001)**	**(619 240 001)**
Changes in the present value of the defined benefit obligation are as follows:				
Opening balance	(619 240 001)	(595 253 001)	(619 240 001)	(595 253 001)
Service cost	(21 748 000)	(20 640 000)	(21 748 000)	(20 640 000)
Interest cost	(71 345 000)	(69 247 000)	(71 345 000)	(69 247 000)
Remeasurements	(30 158 977)	16 692 958	(30 158 977)	16 692 958
Payments from the plan	46 154 977	49 207 042	46 154 977	49 207 042
	(696 337 001)	**(619 240 001)**	**(696 337 001)**	**(619 240 001)**
Net expense recognised in the statement of financial performance are as follows:				
Service cost	(21 748 000)	(20 640 000)	(21 748 000)	(20 640 000)
- Current service cost	(21 748 000)	(20 640 000)	(21 748 000)	(20 640 000)
- Past service cost	-	-	-	-
- Plan amendment	-	-	-	-
- Curtailment	-	-	-	-
Net interest on the net defined benefit liability (asset)	(71 345 000)	(69 247 000)	(71 345 000)	(69 247 000)
Remeasurements of the net defined benefit liability (asset)	(30 158 977)	16 692 958	(30 158 977)	16 692 958
- Actuarial gains and losses arising from:	(30 158 977)	16 692 958	(30 158 977)	16 692 958
- Changes in demographic assumptions	-	-	-	-
- Changes in financial assumption	(15 992 000)	7 036 000	(15 992 000)	7 036 000
- Experience adjustments	(14 166 977)	9 656 958	(14 166 977)	9 656 958
	(123 251 977)	**(73 194 042)**	**(123 251 977)**	**(73 194 042)**

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*
Calculation of actuarial gains and losses					
Actuarial gains (losses) – Obligation		(30 158 977)	16 692 958	(30 158 977)	16 692 958
Actuarial gains (losses) – Plan assets		-	-	-	-
		(30 158 977)	**16 692 958**	**(30 158 977)**	**16 692 958**

The actuarial gain is influenced by the effect of the change in the basis of financial assumptions, unexpected increases in subsidies, unpredicted movements in membership profile and the effect of actual benefits being different from what was expected.

The significant decrease in the actuarial gain from the previous year is due to the impact of change in net discount rates. The net discount rate is a function of bond yield curves. The bond rates are susceptible to fluctuations due to prevailing market conditions. The discount rate was lower in 2024/25 compared to 2023/24 owing to the slowing down inflation rate..

Key assumptions used

Assumptions used at the reporting date:

Discount rate - PEMA	10,90 %	12,09 %	10,90 %	12,09 %
Health care cost inflation rate - PEMA	6,70 %	7,60 %	6,70 %	7,60 %
Net-of-health-care-cost-inflation discount rate - PEMA	3,90 %	4,17 %	3,90 %	4,17 %
Maximum subsidy inflation rate - PEMA	4,40 %	5,33 %	4,40 %	5,33 %
Net-of-maximum-subsidy-inflation discount rate - PEMA	6,20 %	6,42 %	6,20 %	6,42 %
Discount rate - LSA	9,90 %	11,13 %	9,90 %	11,13 %
General earnings inflation rate (long-term) - LSA	4,90 %	6,28 %	4,90 %	6,28 %
Net effective discount rate - LSA	4,80 %	4,57 %	4,80 %	4,57 %

Key demographic assumptions -Post employment medical aid:
- Average retirement age - 62 years (2024:62 years)
- Continuation of membership at retirement - 75% (2024:75%)
- Proportion with a spouse dependent at retirement - 60% (2024:60%)
- Proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy at retirement 15% (2024 :15%)
- Mortality during employment - SA 85-90
- Mortality post-employment - PA(90) -1 with a 1% mortality improvement p.a. from 2010

Key Demographic Assumptions - Long service awards
- Average retirement age - 62 years (2024:62 years)
- Mortality during employment - SA 85-90
- Retrenchment ratest - 15% of withdrawal rates

Sensitivity analysis

Healthcare cost trends

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

Economic entity - 2025	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
Effect on the service cost	15 919 000	12 078 000	15 919 000	12 078 000
Effect on interest cost	67 424 000	57 223 000	67 424 000	57 223 000
Effect on defined benefit obligation	648 182 000	553 882 000	648 182 000	553 882 000

`Economic entity - 2024	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
Effect on the service cost	14 895 000	11 281 000	14 895 000	11 281 000
Effect on interest cost	65 113 000	55 318 000	65 113 000	55 318 000
Effect on defined benefit obligation	574 701 000	490 197 000	574 701 000	490 197 000

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*

Discount rate

Assumed discount rate have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed discount rate would have the following effects:

Economic entity - 2025	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
Effect on the service cost - PEMA	11 952 000	16 871 000	11 952 000	16 871 000
Effect on interest cost -PEMA	60 887 000	64 361 000	60 887 000	64 361 000
Effect on defined benefit obligation - PEMA	542 817 000	676 965 000	542 817 000	676 965 000
Effect on the service cost - LSA	7 181 000	8 134 000	7 181 000	8 134 000
Effect on interest cost - LSA	9 045 000	8 512 000	9 045 000	8 512 000
Effect on defined benefit obligation - LSA	88 016 000	98 270 000	88 016 000	98 270 000

Economic entity - 2024	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
Effect on the service cost - PEMA	11 157 000	15 800 000	11 157 000	15 800 000
Effect on interest cost - PEMA	58 771 000	62 250 000	58 771 000	62 250 000
Effect on defined benefit obligation - PEMA	482 053 000	597 345 000	482 053 000	597 345 000
Effect on the service cost - LSA	6 989 000	7 945 000	6 989 000	7 945 000
Effect on interest cost - LSA	9 052 000	8 543 000	9 052 000	8 543 000
Effect on defined benefit obligation - LSA	80 445 000	89 931 000	80 445 000	89 931 000

Expected contributions

The expected contributions towards post employment medical aid for the next reporting period Is R57 274 680.

Multi-employer plan accounted for as a defined contribution plan

The Municipality accounted for the multi-employer defined benefit plans namely KwaZulu-Natal Joint Municipal Pension Fund (Retirement), KwaZulu-Natal Joint Municipal pension Fund (Superannuation) and Government Employees Pension Fund, as defined contribution plans, seeing as sufficient information is not available to enable the municipality to account for the plans as defined benefit plans.

The reason why sufficient information Is not available to enable the Municipality to account for the plan as a defined benefit plan, is !hat the statutory actuarial valuations of the funds are not performed per municipality as the funds are not classified as umbrella funds by the FSC. There are shared actuarial risks with other entities' employees are involved, however, comprehensive plan information is not available. Such information as the plan formula to allocate obligations, assets, and costs.

The expected contributions to the plan for the next reporting period is R199 787 597.

The level of participation of the entity in the plan compared with other participating entities is as follows GEPF (0.00001%), NJMPF ·Retirement (2%) and NJMPF - Superannuation (4%) based on membership.

The contribution rate for the Municipality is determined as a percentage of pensionable salaries and is set out in the regulations of each Fund. In terms of the regulations the municipality must contribute a fixed basic percentage and, if required, an additional surcharge should the Funds be in deficit.

The municipality pays the basic contribution based on the pensionable salaries of the employees of the municipality; this is therefore not affected by employees of other participating municipalities. Any surcharge is defined in terms of the pensionable salaries of each municipality and hence the extent to which a deficit can be attributed to the employees of the municipality is the extent to which a surcharge is levied on the municipality. In terms of the nature of a defined benefit fund cross-subsidy exists between older and younger members, affecting all municipalities.

The allocation of a deficit or surplus is proportionate to the liabilities of the Fund, which in turn is based on pensionable salaries and pensionable service of each individual member. In terms of the promulgated regulations, the municipality may not disassociate from the funds, but members may transfer to the KwaZulu-Natal Joint Municipal Provident Fund or may join a separate fund in addition to one of the three KZNJMPF funds.

The entity participates in a defined benefit plan that shares risks between entities under common control.

Defined contribution plans

It Is the policy of the economic entity to provide retirement benefits to all its eligible employees.

The economic entity Is under no obligation to cover any unfunded benefits.

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*

KwaZulu-Natal Joint Municipal Provident Fund1

KwaZulu-Natal Joint Municipal Provident Fund Is used for the purpose of providing retirement benefits. The fund Is governed by its regulations as approved by the IFSCA Commissioner.

The amount recognised as an expense for the defined contributions plans is disclosed on note 46 - Employee related ·costs

South African Local Authorities Pension Fund

The Fund was established in 1985 to provide benefits for Its members on retirement, resignation, dismissal ,retrenchment or upon death of Its members.

The amount recognised as an expense for the defined contributions plans Is disc1osed on note 46 · Employee related costs

Municipal Councillors Pension Fund

The Municipal Councillors Pension Fund (MCPF) was established on 1 May 1988 in terms of the Pension Benefits for Councillors of local Authorities Act No. 105 of 1987. The MCPF Is a defined contribution Pension Fund, as defined In legislation, committed to effectively and efficiently providing benefits to members and beneficiaries.

The amount recognised as an expense for the defined contributions plans is disclosed on note 52 - Remuneration of councillors.

Momentum retirement plan - Sate City

The pension fund is a comprehensive retirement solution to help take care of employees' financial needs pre and post - retirement. It also provides funeral and disability insurance for employees when life changing events happen. Full -time employees who have passed the 3 months probation are eligible to join the fund. Both the employee and the employer contribute 7,5%.

The amount recognised as an expense for the defined contributions plans is disclosed on note 46 - Employee related costs.

21. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Expanded Public Works Programme	1 570	1 489	1 570	1 489
Energy Efficiency Demand Side Management Grant	118 833	-	118 833	-
Integrated National Electrification Programme	-	55 484	-	55 484
Municipal Infrastructure Grant	36 453 543	18 748 895	36 453 543	18 748 895
Neighbourhood Development Partnership Grant	32 438	1 604 867	32 438	1 604 867
Public Transport Network Grant	45 417 732	-	45 417 732	-
Water Services Infrastructure Grant	1 236	14 507 200	1 236	14 507 200
Municipal Disaster Recovery Grant	3 081 980	31 578 442	3 081 980	31 578 442
Corridor Development (Heroes Acre Memorial Park)	-	4 007 829	-	4 007 829
Eastwood Primary Substation	-	72 011	-	72 011
Greater Edendale Development Initiative	3 280 312	13 157 988	3 280 312	13 157 988
Housing Accreditation	14 135 862	6 339 152	14 135 862	6 339 152
Library	628 436	138 650	628 436	138 650
Pietermaritzburg Airport	61 759	173 175	61 759	173 175
Tatham Art Gallery - Art Bank	120	120	120	120
Tatham Art Gallery	163 002	464 373	163 002	464 373
Ematsheni	1 042 057	1 055 100	1 042 057	1 055 100
Upgrading of Informal Settlements	4 984 903	96 641 828	4 984 903	96 641 828
Municipal Employment Initiative	14 924	387 600	14 924	387 600
LG Seta Mandatory and Discretionary Grant	1 572 611	908 825	1 572 611	908 825
	110 991 318	**189 843 028**	**110 991 318**	**189 843 028**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Movement during the year					
Balance at the beginning of the year		189 843 028	177 126 855	189 843 028	177 126 855
Funds returned to National Treasury/Cooperative Governance and Traditional Affairs		(21 041 209)	(29 554)	(21 041 209)	(29 554)
Current year receipts		486 451 896	492 607 948	486 451 896	492 607 948
Current year interest received		3 377 862	5 101 851	3 377 862	5 101 851
Savings transferred to Council's own revenue		(72 011)	(23 440)	(72 011)	(23 440)
Refund of duplicate receipt from service provider		(35 305)	-	(35 305)	-
VAT recovered from grant		(51 674 084)	(35 862 647)	(51 674 084)	(35 862 647)
Conditions met - transferred to revenue		(483 379 007)	(449 077 985)	(483 379 007)	(449 077 985)
Transfer of VAT on Housing Projects to Council's own revenue		(12 479 852)	-	(12 479 852)	-
		110 991 318	**189 843 028**	**110 991 318**	**189 843 028**

The extent of government grants recognised in the Statement of Financial Performance relates to the extent of the grant conditions having been met.

Refer to Appendix D for details of Unspent Conditional Grants, Receipts and Transfers from National, Provincial, Government and other departments.

See note 40 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

22. Non current - Payables from exchange transactions

Electricity bulk purchases	123 995 268	415 948 094	123 995 268	415 948 094
Water bulk purchases	942 358 695	509 383 039	942 358 695	509 383 039
	1 066 353 963	**925 331 133**	**1 066 353 963**	**925 331 133**

23. VAT receivable

VAT Control	612 935 476	487 410 348	613 474 290	487 882 716

24. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - Economic entity - 2025

	Accumulated surplus	Insurance reserve	COID reserve	Total
Opening balance	6 453 911 488	7 859 287	23 584 674	6 485 355 449
Interest earned on COID	(2 239 540)	-	2 239 540	-
Interest earned on insurance reserve	(620 975)	620 975	-	-
Interest earned on CRR	(470 188)	-	-	(470 188)
Interest on HDF	(4 719 130)	-	-	(4 719 130)
Transfer to/from COID	1 220 625	-	(1 220 625)	-
Transfer to/from CRR	(1 697 129)	-	-	(1 697 129)
Deficit	(119 746 029)	-	-	(119 746 029)
	6 325 639 122	**8 480 262**	**24 603 589**	**6 358 722 973**

Ring-fenced internal funds and reserves within accumulated surplus - Economic entity - 2024

	Accumulated surplus	Insurance reserve	COID reserve	Total
Opening balance	7 430 298 358	7 248 161	23 254 865	7 460 801 384
Prior period adjustments	(398 238 365)	-	-	(398 238 365)
Interest earned on COID	(2 174 648)	-	2 174 648	-
Interest earned on insurance reserve	(611 126)	-	-	(611 126)
nterest earned on CRR	(388 904)	611 126	-	222 222
Interest on HDF	(7 063 008)	-	-	(7 063 008)
Transfer to/from COID	1 844 839	-	(1 844 839)	-
Deficit	(569 755 658)	-	-	(569 755 658)
	6 453 911 488	**7 859 287**	**23 584 674**	**6 485 355 449**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*

Ring-fenced internal funds and reserves within accumulated surplus - Controlling entity - 2025

	Accumulated surplus	Insurance reserve	COID reserve	Total
Opening balance	6 443 507 128	7 859 287	23 584 674	6 474 951 089
Interest earned on COID	(2 239 540)	-	2 239 540	-
Interest earned on insurance reserve	(620 975)	620 975	-	-
Interest earned on CRR	(470 188)	-	-	(470 188)
Interest on HDF	(4 719 130)	-	-	(4 719 130)
Transfer to/from COID	1 220 625	-	(1 220 625)	-
Transfer to/from CRR	(1 697 129)	-	-	(1 697 129)
Deficit	(120 644 369)	-	-	(120 644 369)
	6 314 336 422	**8 480 262**	**24 603 589**	**6 347 420 273**

Ring-fenced internal funds and reserves within accumulated surplus - June 2024

	Accumulated surplus	Insurance reserve	COID reserve	Total
Opening balance	7 419 758 181	7 248 161	23 254 865	7 450 261 207
Prior period adjustments	(398 238 366)	-	-	(398 238 366)
Interest earned on COID	(2 174 648)	-	2 174 648	-
Interest earned on insurance reserve	(611 126)	611 126	-	-
Interest earned on CRR	(388 904)	-	-	(388 904)
Interest on HDF	(7 063 008)	-	-	(7 063 008)
Transfer to/from COID	1 844 839	-	(1 844 839)	-
Deficit	(569 619 840)	-	-	(569 619 840)
	6 443 507 128	**7 859 287**	**23 584 674**	**6 474 951 089**

25. Capital replacement reserve

Based on the approval by the strategic management committee on the 7th April 2015 the CRR was created by transferring funds of R151 935 999 from the accumulated surplus. This reserve will be used for the funding of property, plant and equipment.

Included in the reserve is an amount of R470 188 (2024: R388 904) in respect to interest earned on the reserve.

The CRR is a cash backed reserve

Opening balance	5 017 454	4 605 111	5 017 454	4 605 111
Auction proceeds	1 697 129	-	1 697 129	-
Interest earned	470 188	388 904	470 188	388 904
Transfer from conditional grants savings	72 010	23 439	72 010	23 439
	7 256 781	**5 017 454**	**7 256 781**	**5 017 454**

26. Housing development fund

Accumulative HDF utilisation	184 925 419	81 675 256	184 925 419	81 675 256
Loans extinguished by Government on 1 April 1988	34 256 892	34 256 892	34 256 892	34 256 892
	219 182 311	**115 932 148**	**219 182 311**	**115 932 148**

27. Revaluation reserve

Opening balance	104 575 869	104 575 869	104 575 869	104 575 869

28. Agency services

Commission earned on driver's licenses renewals	3 013 565	2 666 696	3 013 565	2 666 696

Refer to Note 70 - Accounting by principals and agents

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
29. Interest - consumer debtors and receivables					
Electricity		61 723 219	41 679 331	61 723 219	41 679 331
Land sale		614 536	-	614 536	-
Miscellaneous receivable		652 365	453 983	652 365	453 983
Property rental		6 788 850	12 803 071	6 788 850	12 803 071
Sanitation		37 923 919	30 750 960	37 923 919	30 750 960
Service charges		12 656 571	2 136 811	12 656 571	2 136 811
Water		283 210 992	221 028 828	283 210 992	221 028 828
Waste management		23 311 280	17 131 060	23 311 280	17 131 060
		426 881 732	**325 984 044**	**426 881 732**	**325 984 044**
30. Interest - bank, call and investment accounts					
Bank		5 443 655	5 245 859	5 211 106	5 015 335
Short term investments		28 691 121	39 102 446	28 691 121	39 102 446
		34 134 776	**44 348 305**	**33 902 227**	**44 117 781**
31. Licences and permits					
Abnormal loads		1 099 448	787 781	1 099 448	787 781
Market porters		77 727	74 336	77 727	74 336
Taxi ranks		585 931	614 799	585 931	614 799
Trading		364 029	544 207	364 029	544 207
		2 127 135	**2 021 123**	**2 127 135**	**2 021 123**
32. Operational revenue					
Administration and handling fees		2 403 523	4 883 577	2 403 523	4 883 577
Breakages and losses recovered		6 624	2 967	6 624	2 967
Bursary refund		-	18 304	-	18 304
Commission insurance		545 592	621 962	545 592	621 962
Commission - transaction handling fees		21 750 505	21 993 483	21 750 505	21 993 483
Construction contracts - revenue		-	324 324	-	324 324
Incidental cash surplus		157	650	157	650
Insurance refund		601 823	11 873 890	601 823	11 873 890
Landing fees		4 273 821	3 263 542	4 273 821	3 263 542
Merchandising, jobbing and contracts		-	2 817 107	-	2 817 107
Passenger levy		8 887 857	7 771 158	8 887 857	7 771 158
Request for information - plan printing and duplicates		40 253	48 620	40 253	48 620
Sale of property		10 185	-	10 185	-
Staff recoveries		-	417	-	417
		38 520 340	**53 620 001**	**38 520 340**	**53 620 001**
33. Rental of facilities and equipment					
Premises					
Non-residential		22 473 796	22 958 601	22 473 796	22 958 601
Residential		8 082 223	9 988 213	8 082 223	9 988 213
		30 556 019	**32 946 814**	**30 556 019**	**32 946 814**
Facilities and equipment					
Rental of facilities		821 348	643 515	821 348	643 515
		31 377 367	**33 590 329**	**31 377 367**	**33 590 329**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
34. Rendering of services					
Advertising bins		734 264	693 907	734 264	693 907
Building plan approval		3 309 134	4 198 633	3 309 134	4 198 633
Cemetery and burial fees		3 743 428	2 741 372	3 743 428	2 741 372
Entrance fees		292 195	97 145	292 195	97 145
Fire services		1 053 844	92 186	1 053 844	92 186
Legal fees		756 706	428 337	756 706	428 337
Management fees		178 694	132 880	178 694	132 880
Parking fees		5 375	7 338	5 375	7 338
Rates clearance certificates		1 443 741	1 478 451	1 443 741	1 478 451
Sign application fee		1 370 096	1 957 100	1 370 096	1 957 100
Town planning and servitudes		1 319 540	1 871 027	1 319 540	1 871 027
Wayleave tariffs		42 465	32 286	42 465	32 286
		14 249 482	**13 730 662**	**14 249 482**	**13 730 662**
35. Sale of goods					
Buyer's card		42 924	50 016	42 924	50 016
Cleaning and removal		106 696	49 069	106 696	49 069
Demolition application fees		1 012	2 174	1 012	2 174
Laboratory services		236 768	307 119	236 768	307 119
Photocopies and faxes		10 391	-	10 391	-
Posters and charts		430	406	-	-
Sale of scrap and waste		23 555	122 285	23 555	122 285
Sub-division and consolidation		158 793	386 678	158 793	386 678
Tender documents		188 290	38 743	188 290	38 743
Valuation services		24 820	15 997	24 820	15 997
		793 679	**972 487**	**793 249**	**972 081**
36. Service charges					
Sale of electricity		3 423 621 416	2 928 777 261	3 423 910 095	2 929 040 352
Sale of water		1 116 556 874	851 829 292	1 116 556 874	851 829 292
Sanitation		246 394 651	203 376 211	246 394 651	203 376 211
Refuse removal		158 733 588	127 525 584	158 733 588	127 525 584
		4 945 306 529	**4 111 508 348**	**4 945 595 208**	**4 111 771 439**
Reconciliation					
Gross revenue billed					
Sale of electricity		3 427 763 600	2 932 167 342	3 428 052 279	2 932 430 433
Sale of water		1 122 901 942	857 330 291	1 122 901 942	857 330 291
Sanitation		270 547 356	223 597 182	270 547 356	223 597 182
Refuse removal		159 184 632	128 834 912	159 184 632	128 834 912
		4 980 397 530	4 141 929 727	4 980 686 209	4 142 192 818
Less: Revenue foregone free basic services					
Sale of electricity		(4 142 184)	(3 390 081)	(4 142 184)	(3 390 081)
Sale of water		(6 345 068)	(5 500 999)	(6 345 068)	(5 500 999)
Sanitation		(24 152 705)	(20 220 971)	(24 152 705)	(20 220 971)
Refuse removal		(451 044)	(1 309 328)	(451 044)	(1 309 328)
Net Service charges		**4 945 306 529**	**4 111 508 348**	**4 945 595 208**	**4 111 771 439**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
37. Property rates					
Rates per category					
Commercial		521 425 009	345 871 870	521 425 009	345 871 870
Communal land - other		-	247 272	-	247 272
Farm properties		2 212 829	1 837 202	2 212 829	1 837 202
Industrial		145 772 306	156 315 472	145 772 306	156 315 472
Mining		696 991	709 325	696 991	709 325
Public benefit organisation		3 325 836	3 765 740	3 325 836	3 765 740
Public service purpose		162 414 474	142 464 174	162 414 474	142 464 174
Residential		856 351 656	695 825 559	856 351 656	695 825 559
Small home business		-	473	-	473
State		791 212	547 241	791 212	547 241
Unauthorised use		3 674 292	11 461 008	3 674 292	11 461 008
		1 696 664 605	**1 359 045 336**	**1 696 664 605**	**1 359 045 336**
Reconciliation					
Gross revenue billed					
Property rates		1 809 023 434	1 461 699 892	1 809 023 434	1 461 699 892
		1 809 023 434	1 461 699 892	1 809 023 434	1 461 699 892
Less: Revenue foregone free basic services					
Rebates property rates		(112 358 829)	(102 654 556)	(112 358 829)	(102 654 556)
Net Property rates		**1 696 664 605**	**1 359 045 336**	**1 696 664 605**	**1 359 045 336**
Valuations					
Agriculture		714 385 000	459 302 000	714 385 000	459 302 000
Commercial/Mining/Industrial/Unauthorised		26 400 256 490	24 114 780 566	26 400 256 490	24 114 780 566
Municipal properties		11 767 000	949 000	11 767 000	949 000
Residential		58 912 496 821	49 876 580 073	58 912 496 821	49 876 580 073
Public Benefit Organisation		1 065 615 000	1 008 236 000	1 065 615 000	1 008 236 000
Public Service Infrastructure		216 437 000	239 917 735	216 437 000	239 917 735
Public Service Property		5 861 250 000	5 206 271 000	5 861 250 000	5 206 271 000
Vacant land		2 881 207 909	2 197 524 909	2 881 207 909	2 197 524 909
		96 063 415 220	**83 103 561 283**	**96 063 415 220**	**83 103 561 283**

Rate randage are as follows:	Rate per category 2025	Rate per category 2024
Agriculture	0,0039	0,0039
Public Service Property	0,0282	0,0282
Residential	0,0161	0,0161
Public Benefit Organisation	0,0039	0,0039
Public Service Infrastructure	0,0039	0,0039
Vacant land	0,0291	0,0291
Commercial	0,0282	0,0282
Mining	0,0282	0,0282
Industrial	0,0282	0,0282
Unauthorised	0,0500	0,0500
Municipal property	0,0292	0,0282
Sectional Title Garages	0,0161	0,0161

Valuations on land and buildings are performed every 5 years in terms of the Municipal Property Rates Act. The last general valuation came into effect on 1 July 2024. Interim/ Supplementary valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The substantial increase in property market values is due to the new general valuation roll implemented on the 1st of July 2024.

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
38. Interest from non-exchange receivables					
Property rates		135 058 566	106 728 864	135 058 566	106 728 864
Fruitless and Wasteful expenditure		-	144 362	-	144 362
		135 058 566	**106 873 226**	**135 058 566**	**106 873 226**
39. Fines, penalties and forfeits					
Building fines		163 000	69 500	163 000	69 500
Court traffic fines		11 256 100	18 691 570	11 256 100	18 691 570
Illegal connections		29 879 800	36 153 592	29 879 800	36 153 592
Law enforcement fines		1 743 776	936 803	1 743 776	936 803
Overdue books fines		-	5 752	-	5 752
Tender withdrawal penalties		56 903	-	56 903	-
		43 099 579	**55 857 217**	**43 099 579**	**55 857 217**
40. Government grants and subsidies					
Operating grants					
Equitable Share		822 072 000	767 222 000	822 072 000	767 222 000
Expanded Public Works Programme		2 091 919	4 699 511	2 091 919	4 699 511
Finance Management Grant		1 900 000	1 950 000	1 900 000	1 950 000
Municipal Infrastructure Grant		7 032 057	18 946 795	7 032 057	18 946 795
Public Transport Network Grant		4 582 268	-	4 582 268	-
Greater Edendale Development Initiative		655 518	2 081 078	655 518	2 081 078
Housing Accreditation		5 733 823	6 417 980	5 733 823	6 417 980
Housing Projects		-	1 181 354	-	1 181 354
LG Seta Mandatory and Discretionary Grant		2 161 693	1 662 712	2 161 693	1 662 712
Library		14 771 412	14 896 562	14 771 412	14 896 562
Municipal Employment Initiative		403 301	2 890 001	403 301	2 890 001
Tatham Art Gallery		182 454	147 715	182 454	147 715
Tatham Art Gallery - Art Bank		-	56 880	-	56 880
Water Services Infrastructure Grant		50 543 761	13 948 235	50 543 761	13 948 235
Pietermaritzburg Airport		499 966	-	499 966	-
Energy Efficieny Demand Side Management Grant		584 192	-	584 192	-
Regional Bulk Infrastructure Grant		67 099 030	-	67 099 030	-
		980 313 394	**836 100 823**	**980 313 394**	**836 100 823**
Capital grants					
Corridor Development		-	3 039 104	-	3 039 104
Eastwood Primary Substation		-	378 947	-	378 947
Energy Efficiency Demand Side Management Grant		4 296 974	5 000 000	4 296 974	5 000 000
Greater Edendale Development Initiative		11 477 696	77 553 222	11 477 696	77 553 222
Housing Accreditation		2 244 716	733 561	2 244 716	733 561
Integrated National Electrification Programme		5 026 484	12 218 873	5 026 484	12 218 873
Library		1 306 073	6 376 710	1 306 073	6 376 710
Municipal Disaster Recovery Grant		41 710 462	8 021 558	41 710 462	8 021 558
Municipal Infrastructure Grant		190 577 731	192 505 845	190 577 731	192 505 845
Neighbourhood Development Partnership Grant		19 967 993	12 973 388	19 967 993	12 973 388
Pietermaritzburg Airport		148 192	3 201 175	148 192	3 201 175
Tatham Art Gallery		766 270	170 531	766 270	170 531
Upgrading of Informal Settlements		91 656 926	68 684 916	91 656 926	68 684 916
Water Services Infrastructure Grant		18 962 203	25 203 981	18 962 203	25 203 981
Ematsheni		1 149 828	-	1 149 828	-
		389 291 548	416 061 811	389 291 548	416 061 811
		1 369 604 942	**1 252 162 634**	**1 369 604 942**	**1 252 162 634**

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*

Government grants and subsidies

Included in above are the following grants and subsidies received:

Equitable share	822 072 000	767 222 000	822 072 000	767 222 000
Operating grants	142 726 668	56 945 951	142 726 668	56 945 951
VAT recovered - operating grants	15 514 727	11 932 872	15 514 727	11 932 872
VAT recovered - capital grants	48 639 210	31 937 003	48 639 210	31 937 003
Capital grants	340 652 337	384 124 808	340 652 337	384 124 808
	1 369 604 942	**1 252 162 634**	**1 369 604 942**	**1 252 162 634**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

In terms of section 227 of the Constitution, the Equitable Share grant provides funding for the municipality to deliver free basic services to poor households and subsidises the cost of administration and other core services for the municipality.

Energy Efficiency and Demand Side Management Grant

Balance unspent at beginning of year	-	-	-	-
Current year receipts	5 000 000	5 000 000	5 000 000	5 000 000
VAT recovered from Grant	(619 841)	(234 551)	(619 841)	(234 551)
Conditions met - transferred to revenue	(4 261 326)	(4 765 449)	(4 261 326)	(4 765 449)
	118 833	**-**	**118 833**	**-**

Conditions still to be met - remain liabilities (see note 21).

The purpose of the grant is to provide subsidies to municipalities to implement energy efficiency and demand side management initiatives on municipal facilities and infrastructure in order to reduce electricity consumption and improve energy efficiency.

Expanded Public Works Programme

Balance unspent at beginning of year	1 489	2 849	1 489	2 849
Funds returned to National Treasury	-	(2 849)	-	(2 849)
Current year receipts	2 092 000	4 701 000	2 092 000	4 701 000
VAT recovered from Grant	-	(67 413)	-	(67 413)
Conditions met - transferred to revenue	(2 091 919)	(4 632 098)	(2 091 919)	(4 632 098)
	1 570	**1 489**	**1 570**	**1 489**

Conditions still to be met - remain liabilities (see note 21).

The purpose of the grant is to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP Guidelines:

- Road maintenance and the maintenance of buildings.
- Low traffic volume roads and rural roads.
- Basic services infrastructure, including water and sewer reticulation, sanitation and pipelines (excluding bulk infrastructure).
- Other economic and social infrastructure.
- Tourism and cultural industries.
- Waste management.
- Parks and beautification.
- Sustainable land-based livelihoods.
- Social services programmes.
- Community safety programmes.

During October 2024, the Municipality received a letter dated 17th October 2024 from the Department of Public Works and Infrastructure advising of their intention to invoke Section 17(1) sub-section 1 (a) of the Division of Revenue Act 2024, and withhold the second tranche of the EPWP allocation which is due on the 01st November 2024 for a period not exceeding 30 days, due to the Municipality failing to report on all grant funded projects registered on the EPWP-RS. The municipality responded to this letter on the 21st October 2024. The funds was received on the 1st of November 2024.

Finance Management Grant

Balance unspent at beginning of year	-	-	-	-
Current-year receipts	1 900 000	1 950 000	1 900 000	1 950 000
VAT recovered from Grant	(130 598)	(142 602)	(130 598)	(142 602)
Conditions met - transferred to revenue	(1 769 402)	(1 807 398)	(1 769 402)	(1 807 398)
	-	**-**	**-**	**-**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*

The purpose of this grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

Integrated National Electrification Programme

Balance unspent at beginning of year	55 484	1 774 357	55 484	1 774 357
Current-year receipts	4 971 000	10 500 000	4 971 000	10 500 000
VAT recovered from Grant	(627 367)	(1 244 124)	(627 367)	(1 244 124)
Conditions met - transferred to revenue	(4 399 117)	(10 974 749)	(4 399 117)	(10 974 749)
	-	**55 484**	**-**	**55 484**

Conditions still to be met - remain liabilities (see note 21).

The purpose of the grant is to implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog in all existing and planned dwellings (including informal settlements, farm dwellings, new and existing dwellings).

During February 2025, the Municipality received a letter from National Treasury advising of their intention to stop a portion of the 2024/2025 allocation for this grant amount to R869,000 due to underperformance/non compliance. The Municipality responded to this letter in February 2025 and provided supporting documents showing good performance which was above 70% by 31 December 2024.The INEP grant has been fully received by the municipality.

Regional Bulk Infrastructure Grant

Balance unspent at beginning of year	-	-	-	-
Current-year receipts	67 099 030	-	67 099 030	-
VAT recovered from Grant	(8 752 047)	-	(8 752 047)	-
Conditions met - transferred to revenue	(58 346 983)	-	(58 346 983)	-
	-	**-**	**-**	**-**

The grant was provided for the purpose of planning requirements to be met in 3 stages as follows:
- Feasibility Study
- Preliminary Design Report
- Implementation Readiness Study

Municipal Infrastructure Grant

Balance unspent at beginning of year	18 748 895	906 240	18 748 895	906 240
Funds returned to National Treasury	(15 239 563)	(26 705)	(15 239 563)	(26 705)
Current-year receipts	230 554 000	229 322 000	230 554 000	229 322 000
VAT recovered from Grant	(25 032 479)	(26 571 117)	(25 032 479)	(26 571 117)
Conditions met - transferred to revenue	(172 577 310)	(184 881 523)	(172 577 310)	(184 881 523)
	36 453 543	**18 748 895**	**36 453 543**	**18 748 895**

Conditions still to be met - remain liabilities (see note 21).

The funding has been provided for:

- Addressing specific capital projects for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.
- The development of asset management plans for infrastructure servicing the poor.

During September 2024, the Municipality received a letter dated 10th September 2024 from the Department of Cooperative Governance advising of their intention to invoke Section 17(1) of the Division of Revenue Act and withhold the second tranche of the MIG allocation which was due on the 27th September 2024 for a period not exceeding 30 days, due to the following underlined conditions:
- Failure to spend at least 60% of the previous MIG transfer; and/or
- Late / non submission of MIG reports as prescribed by the DoRA

The Municipality responded to the above intention on the 16th September 2024

During October 2024 the Municipality received a letter dated 10th of October 2024 from the Department of Cooperative Governance, advising that based on the September 2024 Division of Revenue Act report, the municipality has shown minimal improvement to meet the threshold in terms of the above-mentioned conditions. As a result, the Department of Cooperative Governance now seeks to invoke section 17(6)(a) of the Division of Revenue Act, which states that “the National Treasury may instruct, or approve a request from, the transferring officer to withhold an allocation in terms of subsection (1) for a period longer than 30 days, but not exceeding 120 days. The Municipality responded to the above intention on the 17th October 2024 The second tranche has been subsequently received on the 22nd November 2024.

The amended Division of Revenue Act was issued in March 2025 with the reduction of the 2024 2025 allocation by R1,198 million for the Municipal Infrastructure Grant.

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*
Neighbourhood Development Partnership Grant					
Balance unspent at beginning of year		1 604 867	1 478 255	1 604 867	1 478 255
Current-year receipts		20 000 000	13 100 000	20 000 000	13 100 000
Conditions met - transferred to revenue		(17 781 298)	(11 351 642)	(17 781 298)	(11 351 642)
Funds returned to National Treasury		(1 604 437)	-	(1 604 437)	-
VAT recovered from Grant		(2 186 694)	(1 621 746)	(2 186 694)	(1 621 746)
		32 438	**1 604 867**	**32 438**	**1 604 867**

Conditions still to be met - remain liabilities (see note 21).

Funding provided to plan, catalyse and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in targeted locations, underserved neighbourhoods, generally townships and rural towns.

Public Transport Network Grant

Balance unspent at beginning of year	-	-	-	-
Current-year receipts	50 000 000	-	50 000 000	-
VAT recovered from Grant	(574 262)	-	(574 262)	-
Conditions met - transferred to revenue	(4 008 006)	-	(4 008 006)	-
	45 417 732	**-**	**45 417 732**	**-**

Conditions still to be met - remain liabilities (see note 21).

Funding provided for accelerated planning, construction and improvement of public and non-motorised transport Infrastructure that form part of the municipal integrated public transport network (IPTN) and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services.

Water Services Infrastructure Grant

Balance unspent at beginning of year	14 507	200 417	14 507	200 417
Current-year receipts	55 000 000	53 659 000	55 000 000	53 659 000
Conditions met - transferred to revenue	(61 149 405)	(34 217 412)	(61 149 405)	(34 217 412)
VAT recovered from Grant	(8 356 559)	(4 934 805)	(8 356 559)	(4 934 805)
	1 236	**14 507 200**	**1 236**	**14 507 200**

Conditions still to be met - remain liabilities (see note 21).

The purpose of the grant is:

- To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural areas.
- To provide basic and intermittent water and sanitation supply that ensure provision of services to identified and prioritised communities, including through spring protection and groundwater development.
- To support municipalities in implementing water conservation and water demand management (WC/WDM) projects.
- To support the close out of the existing bucket eradication programme intervention in formal residential areas.
- To support drought relief programmes in affected municipalities.

During October 2024, the Municipality received a letter dated 14th of October 2024 from the Department of Water and Sanitation advising of their intention to invoke Section 17(1)(c) of the Division of Revenue Act, Act No 24 of 2024, and withhold the second tranche of the WSIG allocation which was due on the 31st October 2024 for a period not exceeding 30 days, due to significant under-expenditure of the previously transferred funds. The WSIG framework in the Division of Revenue Bill 2024 stipulates that municipalities must spend at least 25% of their first transfer and comply with the reporting provisions before the second transfer is made. The Municipality responded to the above intention on the 17th of October 2024. The second tranche was received on the 28th of February 2025.

During February 2025, the Municipality received a letter from National Treasury advising of their intention to stop a portion of the 2024/2025 allocation for this grant amount to R15 million due to underperformance/non compliance. The Municipality responded to this letter in February 2025.

The amended Division of Revenue Act was issued in March 2025 with the reduction of the 2024 2025 allocation from R70 million to R55 million for Water Services Infrastructure Grant.

Municipal Disaster Recovery Grant

Balance unspent at beginning of year	31 578 442	-	31 578 442	-
Current-year receipts	13 214 000	39 600 000	13 214 000	39 600 000
VAT recovered from Grant	(5 394 236)	(1 046 290)	(5 394 236)	(1 046 290)
Conditions met - transferred to revenue	(36 316 226)	(6 975 268)	(36 316 226)	(6 975 268)
	3 081 980	**31 578 442**	**3 081 980**	**31 578 442**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*

Conditions still to be met - remain liabilities (see note 21).

Purpose of the grant is for reconstruction and rehabilitation of damaged Municipal Infrastructure due to the 2022 floods The Municipality received a letter in October 2024 from the Department of Cooperative Governance of their intention to withhold the second tranche of R3,964 million, which is due to the municipality on the 29th October 2024. The Municipality responded to the above intention on the 5th of November 2024.

The second tranche has been subsequently received on the 29th November 2024.

The Municipality received a letter in January 2025 from the Department of Cooperative Governance of their intention to withhold the third tranche of R6,607 million, which is due to the municipality on the 30th January 2025. The Municipality responded to the above intention on the 30th January 2025 stating that the expenditure was 78% of the funds received and requested that the tranche be released. The third tranche was received on the 5th of March 2025.

Greater Edendale Development Initiative

Balance unspent at beginning of year	13 157 988	87 707 307	13 157 988	87 707 307
Current-year receipts	716 784	2 183 403	716 784	2 183 403
Current year interest received	1 574 059	2 901 577	1 574 059	2 901 577
Refund of duplicate receipt from service provider	(35 305)	-	(35 305)	-
Conditions met - transferred to revenue	(12 133 214)	(79 634 299)	(12 133 214)	(79 634 299)
	3 280 312	**13 157 988**	**3 280 312**	**13 157 988**

Conditions still to be met - remain liabilities (see note 21).

The funding was provided by the Department of Human Settlements for the following:
- To support GIS with the interrogation of housing layout against services in Edendale.
- To support the finalisation of the town planning scheme.
- For the development of an integrated land use management system for Edendale.
- For the valuation of properties as per the business plan.
- For advertising costs for expropriation of properties.
- For costs relating to tenure conflicts, cadastral and deed office rectification.
- For increasing the resources for sales administration with regard to drawing up, signing and managing sales agreements.
- For the provision of further training for personnel using GIS and property tracking systems.

Housing Accreditation

Balance unspent at beginning of year	6 339 152	10 834 860	6 339 152	10 834 860
Current-year receipts	14 890 603	1 842 325	14 890 603	1 842 325
Conditions met - transferred to revenue	(7 978 540)	(7 151 540)	(7 978 540)	(7 151 540)
Current year interest received	884 647	813 507	884 647	813 507
	14 135 862	**6 339 152**	**14 135 862**	**6 339 152**

Conditions still to be met - remain liabilities (see note 21).

Funding provided for Level 1 accreditation subsidy for the operation of the Housing Delivery Unit within Msunduzi Municipality.

Housing projects

Balance unspent at beginning of year	-	-	-	-
Current-year receipts	-	1 181 354	-	1 181 354
Conditions met - transferred to revenue	-	(1 181 354)	-	(1 181 354)
	-	**-**	**-**	**-**

Funding provided by Department of Human Settlements for implementation of a Housing Project as follows :
- Bhobhonono and Masomini Housing project No K21080002 - Implementation of Stage 1 activities on 2000 housing units.

Informal Economy Infrastructure Development

Balance unspent at beginning of year	-	20 234	-	20 234
Savings transferred to Council's own revenue	-	(20 234)	-	(20 234)
	-	**-**	**-**	**-**

Funding has been provided by the Department of Economic Development, Tourism and Environmental Affairs for the development of Informal economic infrastructure. Funding is to be used for the refurbishment of 250 existing informal trading stalls as well as the provision of additional support facilities and services in the Msunduzi Municipality CBD.

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Library					
Balance unspent at beginning of year		138 650	6 587 194	138 650	6 587 194
Current-year receipts		16 093 000	14 438 000	16 093 000	14 438 000
Conditions met - transferred to revenue		(16 077 486)	(21 273 271)	(16 077 486)	(21 273 271)
Current year interest received		474 272	386 727	474 272	386 727
		628 436	**138 650**	**628 436**	**138 650**

Conditions still to be met - remain liabilities (see note 21).

Funds provided by the Provincial Department of Arts and Culture for the provision of library services.

Pietermaritzburg Airport					
Balance unspent at beginning of year		173 175	194 618	173 175	194 618
Current-year receipts		500 000	3 000 000	500 000	3 000 000
Conditions met - transferred to revenue		(648 158)	(3 201 175)	(648 158)	(3 201 175)
Current year interest received		36 742	179 732	36 742	179 732
		61 759	**173 175**	**61 759**	**173 175**

Conditions still to be met - remain liabilities (see note 21).

The funding has been provided by the Economic Development, Tourism and Environmental Affairs for the improvement of the safety and security infrastructure of the Pietermaritzburg Airport.

Tatham Art Gallery					
Balance unspent at beginning of year		464 373	166 806	464 373	166 806
Current-year receipts		596 000	571 000	596 000	571 000
Current year interest received		51 353	44 813	51 353	44 813
Conditions met - transferred to revenue		(948 724)	(318 246)	(948 724)	(318 246)
		163 002	**464 373**	**163 002**	**464 373**

Conditions still to be met - remain liabilities (see note 21).

Funds provided by the Provincial Department of Arts and Culture for Tatham Art Gallery to provide financial support to the municipality with a focus on the development and maintenance of Museum, care and the preservation of the cultural heritage.

Tatham Art Gallery - Art Bank					
Balance unspent at beginning of year		120	-	120	-
Current-year receipts		-	57 000	-	57 000
Conditions met - transferred to revenue		-	(56 880)	-	(56 880)
		120	**120**	**120**	**120**

Conditions still to be met - remain liabilities (see note 21).

Funds provided by the Art Bank for Tatham Art Gallery to pay for 3 interns for a period of 3 months and training for staff.

Youth Enterprise Park					
Balance unspent at beginning of year		-	3 206	-	3 206
Transfer savings to own revenue		-	(3 206)	-	(3 206)
		-	**-**	**-**	**-**

Funds received from Cooperative Governance and Traditional Affairs for the Youth Enterprise Park which emerged to address the challenges of finding appropriate localities for businesses. The concept of the park will be to cluster a purpose built park of 30 to 50 container enterprises in a particular locality either in community, small town or rural district or as part of urban or rural renewal programmes. The programme will also offer on site training facilities and support micro enterprises that operate within the park. The idea is to create a purpose built precinct at scale where the local community is able to take up local economic community opportunities to establish businesses. The Youth Enterprise Park should fundamentally be able to reconnect the economy with communities whose needs offer economic opportunity for its local entrepreneurs.

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Eastwood Primary Substation					
Balance unspent at beginning of year		72 011	417 326	72 011	417 326
Conditions met - transferred to revenue		-	(378 947)	-	(378 947)
Current year interest received		-	33 632	-	33 632
Savings transferred to Council's own revenue		(72 011)	-	(72 011)	-
		-	**72 011**	**-**	**72 011**

Conditions still to be met - remain liabilities (see note 21).

Funding has been provided by the Department of Cooperative Governance and Traditional Affairs for the upgrade and refurbishment work - Eastwood 132/11kv primary substation infrastructure, building of 132kv overhead lines and refurbishment of the 132kv primary substation.

Eastwood was established to cater for the local growth in the industrial network between Riverside and Northdale Substations including to cater for the residential areas in the vicinity. This project will relieve the loads on the Riverside and Northdale substation strengthening the network and allow for future load growth.

The refurbishment of the Eastwood primary substation into effective service will bring a lot of benefits to the Willowton industrial area and the surrounding residential area.

The unspent balance is due to interest accumulated from the Grant and in terms of legislation, interest can be transferred to Council's own revenue.

Corridor Development (Heroes Acre Memorial Park)					
Balance unspent at beginning of year		4 007 829	6 561 224	4 007 829	6 561 224
Current year interest received		189 380	485 709	189 380	485 709
Conditions met - transferred to revenue		-	(3 039 104)	-	(3 039 104)
Funds returned to Cooperative Governance and Traditional Affairs		(4 197 209)	-	(4 197 209)	-
		-	**4 007 829**	**-**	**4 007 829**

Conditions still to be met - remain liabilities (see note 21).

Funding has been provided by the Department of Cooperative Governance and Traditional Affairs.

The Heroes Acre Memorial Park is a symbol of bravery and selflessness for Moses Mabhida and Johnny Makhathini who played a significant role in the liberation struggle as exiled leaders of the South African Communist Party. In recognition of the liberation struggles, this project seeks to beautify, upkeep, maintain and repair the Heroes Acre as a place of honour, dignity and respect.

The rollover request for this project was declined by the Department of Cooperative Governance and Traditional Affairs on the 20th of December 2024. The balance together with interest was repaid to the Department in February 2025.

Ematsheni					
Balance unspent at beginning of year		1 055 100	-	1 055 100	-
Current-year receipts		1 000 000	1 000 000	1 000 000	1 000 000
Conditions met - transferred to revenue		(1 149 828)	-	(1 149 828)	-
Current year interest received		136 785	55 100	136 785	55 100
		1 042 057	**1 055 100**	**1 042 057**	**1 055 100**

Conditions still to be met - remain liabilities (see note 21).

Economic Development, Tourism and Environmental Affairs, has made the capital grant available for the provision of Trading Stalls with the associated storage facilities and ablution facilities for the Informal Trading sector (Traders will be moved from downtown to the new facility) that will be located at Ematsheni [municipal owned land].

Upgrading of Informal Settlements					
Balance unspent at beginning of year		96 641 828	58 395 414	96 641 828	58 395 414
Current-year receipts		-	106 931 330	-	106 931 330
Conditions met - transferred to revenue		(79 177 073)	(68 684 916)	(79 177 073)	(68 684 916)
Transfer of VAT to Council's own revenue		(12 479 852)	-	(12 479 852)	-
		4 984 903	**96 641 828**	**4 984 903**	**96 641 828**

Conditions still to be met - remain liabilities (see note 21).

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*

Funding provided by Department of Human Settlements for implementation of internal and external bulks services in housing projects as follows:

- Khalanyoni Informal Settlement Upgrade Housing Project No K15080002 - implementation of internal and external bulks services
- The Kwa 30 Informal Settlement Upgrade Housing Project No K15080001 - implementation of internal and external bulks services
- Signal Hill Project for Bulk Services - No K15020003 - installation of bulk services on the bus route/access road.
- HarewoodHill Housing Project for Bulk Services - No K15020002 - planning, engineering designs and bulk services for 1000 sites.

Municipal Employment Initiative

Balance unspent at beginning of year	387 600	2 076 549	387 600	2 076 549
Current-year receipts	-	1 000 000	-	1 000 000
Conditions met - transferred to revenue	(403 301)	(2 890 001)	(403 301)	(2 890 001)
Current year interest received	30 625	201 052	30 625	201 052
	14 924	**387 600**	**14 924**	**387 600**

Conditions still to be met - remain liabilities (see note 21).

Funds received from Economic Development, Tourism and Environmental Affairs for the implementation of a Municipal Employment Initiative whereby the municipality will identify, evaluate, fund and support informal, micro and small business enterprises in their area of jurisdiction through a fair and transparent process to create job opportunities and simulate local economic development within the formal and informal sectors that will target vulnerable groups in the rural and township areas.

LG Seta Mandatory and Discretionary Grant

Balance unspent at beginning of year	908 825	-	908 825	-
Current-year receipts	2 825 478	2 571 537	2 825 478	2 571 537
Conditions met - transferred to revenue	(2 161 692)	(1 662 712)	(2 161 692)	(1 662 712)
	1 572 611	**908 825**	**1 572 611**	**908 825**

Conditions still to be met - remain liabilities (see note 21).

The funds are to used to implement skills development interventions in the form of internships, learnership, skills programmes, artisan recognition of prior learning and bursaries. All funds received from the LGSETA must be utilised to implement skills development interventions

41. Other transfers

Donations	2 311 572	181 834	2 311 572	181 834
Fruitless and wasteful expenditure recovery	-	13 712	-	13 712
Heritage assets	848 660	389 815	848 660	389 815
Living resources(Non exchange)	12 000	17 000	12 000	17 000
	3 172 232	**602 361**	**3 172 232**	**602 361**

Other transfers - living resources relate to increase in game animals due to births.

42. Bad debts written off

Bad debts written off	8 967 184	22 523 583	8 967 184	22 523 583

Prior to write off of bad debts it must be proved that the debt has become irrecoverable and all reasonable steps were taken to recover the debt.

43. Bulk purchases

Electricity	3 061 987 658	2 714 396 462	3 061 987 658	2 714 396 462

44. Debt impairment

Contribution to debt impairment	1 231 878 009	1 026 931 832	1 231 878 009	1 026 931 832

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Reconciliation of debt impairment					
Electricity		168 902 833	152 715 411	168 902 833	152 715 411
Other service charges		7 674 288	8 952 014	7 674 288	8 952 014
Rates		264 908 636	215 205 102	264 908 636	215 205 102
Refuse		48 738 396	35 505 304	48 738 396	35 505 304
Property rental		6 697 365	(3 402 671)	6 697 365	(3 402 671)
Sanitation		83 227 961	73 559 269	83 227 961	73 559 269
Water		642 504 231	522 916 974	642 504 231	522 916 974
Total consumer debtors		642 504 231	1 005 451 403	1 222 653 710	1 005 451 403
Miscellaneous receivable		724 567	6 343 040	724 567	6 343 040
Statutory receivables - traffic fines		8 499 731	15 137 389	8 499 731	15 137 389
		1 231 878 008	**1 026 931 832**	**1 231 878 008**	**1 026 931 832**
45. Depreciation and amortisation					
Property, plant and equipment		319 164 353	354 506 196	318 498 962	353 758 752
Intangible assets		5 069 575	5 252 568	5 069 575	5 252 568
Living resources		45 485	48 238	45 485	48 238
		324 279 413	**359 807 002**	**323 614 022**	**359 059 558**
Municipal Staff					
Acting allowances		14 043 130	16 088 907	14 043 130	16 088 907
Basic salaries		989 158 771	962 594 760	981 148 848	954 966 702
Bargaining council		457 315	443 046	457 315	443 046
Bonus		77 560 056	74 464 829	76 467 346	73 844 445
Housing benefits and allowances		4 560 962	4 736 748	4 560 962	4 736 748
Leave pay provision		10 359 433	19 738 292	10 359 433	19 738 292
Long-service awards		27 640 993	28 572 753	27 640 993	28 572 753
Medical aid		87 342 278	80 610 012	86 083 416	79 433 378
Other allowances (tools,uniform, telephone etc)		9 839 306	5 668 402	9 718 256	5 562 202
Overtime payments		133 703 257	135 899 312	133 333 875	135 498 299
Pension contribution		185 429 858	180 203 880	184 837 587	179 637 983
Post employment medical aid benefit		76 666 000	73 634 000	76 666 000	73 634 000
Scarcity allowance		-	5 999 279	-	5 999 279
SDL		12 667 542	12 281 940	12 556 892	12 179 759
Standby allowance		17 370 805	27 620 711	17 370 805	27 620 711
Travel/Motor vehicle allowance		33 984 081	34 047 284	33 880 081	33 945 284
UIF		7 283 523	7 353 794	7 204 646	7 272 955
WCA		2 255 619	4 234 980	2 187 109	4 182 041
		1 690 322 929	**1 674 192 929**	**1 678 516 694**	**1 663 356 784**
Remuneration of Municipal Manager					
Basic salary		496 437	1 248 251	496 437	1 248 251
Bargaining council		60	137	60	137
Bonus		96 054	96 054	96 054	96 054
Contributions to UIF, medical and pension funds		117 819	286 606	117 819	286 606
Housing allowance		5 849	14 037	5 849	14 037
Leave pay provision		1 898 740	13 053	1 898 740	13 053
Phone allowance		11 000	26 400	11 000	26 400
Travelling allowance		59 231	142 706	59 231	142 706
		2 685 190	**1 827 244**	**2 685 190**	**1 827 244**

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*
Remuneration of Chief Finance Officer					
Acting allowance		120 487	-	120 487	-
Basic salary		1 178 999	1 186 059	1 178 999	1 186 059
Bargaining council		143	137	143	137
Bonus		60 000	60 000	60 000	60 000
Contributions to UIF, medical and pension funds		178 365	167 144	178 365	167 144
Housing allowance		180 000	180 000	180 000	180 000
Leave pay provision		10 273	16 905	10 273	16 905
Phone allowance		14 400	14 400	14 400	14 400
Travelling allowance		172 156	173 848	172 156	173 848
		1 914 823	**1 798 493**	**1 914 823**	**1 798 493**
Remuneration of Chief Audit Executive					
Basic salary		1 393 675	1 327 025	1 393 675	1 327 025
Bargaining council		143	137	143	137
Bonus		115 562	110 585	115 562	110 585
Contributions to UIF, medical and pension funds		304 053	288 895	304 053	288 895
Housing allowance		13 373	12 797	13 373	12 797
Leave pay provision		20 237	17 340	20 237	17 340
Phone allowance		13 800	13 800	13 800	13 800
Travelling allowance		153 262	153 262	153 262	153 262
		2 014 105	**1 923 841**	**2 014 105**	**1 923 841**
Remuneration of Deputy Municipal Manager : Corporate Services					
Basic salary		1 415 470	1 361 451	1 415 470	1 361 451
Bargaining council		143	137	143	137
Bonus		-	90 000	-	90 000
Contributions to UIF, medical and pension funds		224 506	231 359	224 506	231 359
Phone allowance		20 400	20 400	20 400	20 400
Leave pay provision		13 093	13 404	13 093	13 404
Travelling allowance		127 075	126 656	127 075	126 656
		1 800 687	**1 843 407**	**1 800 687**	**1 843 407**
Health, safety and social services (emergency management services)					
Basic salary		787 003	723 277	-	-
Bonus		83 405	61 697	-	-
Contributions to UIF, Medical and Pension Funds		40 549	37 326	-	-
Phone allowance		12 000	10 800	-	-
Travelling Allowance		36 000	30 000	-	-
		958 957	**863 100**	**-**	**-**
Remuneration of Deputy Municipal Manager: Sustainable Development and City Enterprises					
Basic salary		795 962	231 094	795 962	231 094
Bargaining council		108	23	108	23
Bonus		-	154 564	-	154 564
Contributions to UIF, medical and pension funds		187 119	11 086	187 119	11 086
Leave pay provision		5 374	-	5 374	-
Phone allowance		12 600	2 400	12 600	2 400
Travelling allowance		118 460	56 425	118 460	56 425
		1 119 623	**455 592**	**1 119 623**	**455 592**
Remuneration of Deputy Municipal Manager: Community Services					
Basic salary		-	61 247	-	61 247
Bargaining council		-	11	-	11
Contributions to UIF, medical and pension funds		-	2 102	-	2 102
Phone allowance		-	9 380	-	9 380
		-	**72 740**	**-**	**72 740**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Remuneration of Deputy Municipal Manager: Electricity					
Basic salary		240 381	-	240 381	-
Bargaining council		24	-	24	-
Contributions to UIF, Medical and Pension Funds		47 374	-	47 374	-
Leave pay provision		1 324	-	1 324	-
Phone allowance		3 400	-	3 400	-
		292 503	**-**	**292 503**	**-**
Remuneration of Deputy Municipal Manager : Infrastructure Services					
Acting allowance		38 651	114 904	38 651	114 904
Basic salary		997 819	1 108 559	997 819	1 108 559
Bargaining council		143	137	143	137
Contributions to UIF, medical and pension funds		180 510	188 690	180 510	188 690
Leave pay provision		10 581	7 396	10 581	7 396
Phone allowance		20 400	20 400	20 400	20 400
Travelling allowance		239 545	240 052	239 545	240 052
		1 487 649	**1 680 138**	**1 487 649**	**1 680 138**
City Manager		2 685 190	1 827 244	2 685 190	1 827 244
Chief Finance Officer		1 914 823	1 798 493	1 914 823	1 798 493
Chief Audit Executive		2 014 105	1 923 841	2 014 105	1 923 841
Deputy Municipal Manager: Corporate Services		1 800 687	1 843 407	1 800 687	1 843 407
Deputy Municipal Manager: Sustainable Development and City Enterprises		1 119 623	455 592	1 119 623	455 592
Deputy Municipal Manager: Community Services		-	72 740	-	72 740
Deputy Municipal Manager: Electricity		292 503	-	292 503	-
Deputy Municipal Manager: Infrastructure Services		1 487 649	1 680 138	1 487 649	1 680 138
Board members : Safe City		294 149	241 166	-	-
General Manager : Safe City		958 957	863 100	-	-
Total section 57 employees		12 567 686	10 705 721	11 314 580	9 601 455
Municipal staff		1 690 322 929	1 674 192 929	1 678 516 694	1 663 356 784
		1 702 890 615	**1 684 898 650**	**1 689 831 274**	**1 672 958 239**

47. Finance costs

Non-current borrowings	25 348 273	16 638 315	25 348 273	16 638 315
Trade and other payables	87 017 927	60 433 421	87 017 927	60 433 421
	112 366 200	**77 071 736**	**112 366 200**	**77 071 736**

The non-current borrowings finance costs relate to the DBSA loans (Refer to note 16 for further details)

48. General expenses

Air pollution monitoring	527 690	140 969	527 690	140 969
Air traffic control	4 395 562	4 503 097	4 395 562	4 503 097
Artists and performers	276 500	635 647	276 500	635 647
Burial services	630 198	427 387	630 198	427 387
Business and financial management services	66 913 857	85 858 622	66 913 857	85 858 622
Cleaning services	9 689 261	6 928 725	9 689 261	6 928 725
Clearing and grass cutting services	2 389 239	5 352 324	2 389 239	5 352 324
Communications	155 647	249 992	155 647	249 992
Commission- prepaid electricity vendors	2 673 953	2 146 158	2 673 953	2 146 158
Connection/dis-connection	6 769 310	4 788 033	6 769 310	4 788 033
External security services	123 628 355	109 700 605	123 628 355	109 700 605
Graphic designers	42 654	165 956	42 654	165 956
Infrastructure and planning consultancy	3 719 576	15 372 665	3 719 576	15 372 665
Legal costs	23 848 946	25 334 088	23 848 946	25 334 088
Medical services	353 441	591 482	353 441	591 482
Meter management	3 723 973	8 902 369	3 723 973	8 902 369
Organisational transformation	58 899 688	6 292 932	58 817 805	6 222 368
Outsourced repairs and maintenance	336 602 260	348 392 025	336 478 736	348 323 723
Project management	11 249 484	25 894 240	11 249 484	25 894 240

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Professional valuation services		1 437 036	9 209 413	1 437 036	9 209 413
Quality control - bacteriological		215 649	24 765	189 714	-
Refuse removal		3 068 743	4 374 030	3 068 743	4 374 030
Research and advisory		(1)	-	(1)	-
Sewerage services		317 597 211	260 897 137	317 597 211	260 897 137
Transportation		542 450	704 593	542 450	704 593
Construction contracts - expense		-	324 324	-	324 324
		979 350 682	**927 211 578**	**979 119 340**	**927 047 947**

49. Inventory consumed

Consumables	142 803 895	154 860 147	142 741 894	154 811 567
Materials and supplies	4 447 730	3 397 135	4 447 730	3 397 135
Water	1 020 070 972	719 454 243	1 020 070 972	719 454 243
	1 167 322 597	**877 711 525**	**1 167 260 596**	**877 662 945**

50. Operational costs

Advertising	4 287 169	7 662 968	4 287 169	7 662 968
External audit fees	21 844 494	19 231 262	21 227 700	18 730 869
Bank charges	4 983 381	3 626 677	4 966 581	3 608 520
Commission	20 742 064	16 673 241	20 742 064	16 673 241
Entertainment	3 800	-	3 800	-
Insurance	11 832 186	16 407 845	11 384 057	15 970 944
Conferences and seminars	372 795	212 742	372 795	212 742
Parking fees	3 696	3 032	-	-
IT expenses	28 120	28 120	28 120	28 120
Storage of files	6 197	8 068	6 197	8 068
Motor vehicle expenses	4 561 210	4 510 983	4 557 896	4 506 177
Signage	217 000	347 684	217 000	347 684
Postage and courier	617	60	-	-
Printing, publication and books	3 620 022	2 209 173	3 620 022	2 209 173
Uniform and protective clothing	11 240 693	15 290 920	11 240 693	15 278 870
External computer services	24 859 947	22 180 183	24 641 947	22 092 183
Subscriptions and membership fees	18 297 027	17 744 124	18 297 027	17 744 124
Communication	6 404 628	6 184 700	6 346 340	6 134 042
Travel - local	4 633 140	2 590 174	4 633 140	2 590 174
Office decorations	-	2 995	-	2 995
Interest cost - provisions	6 054 078	8 979 751	6 054 078	8 979 751
Municipal services	22 153 242	19 841 219	22 153 242	19 841 219
Learnerships and internships	6 471 957	8 588 800	6 471 957	8 588 800
Bursaries (employees)	-	68 610	-	68 610
Catering municipal activities	2 542 364	2 365 507	2 542 364	2 365 507
Drivers licenses and permits and other	970	2 670	970	2 670
	175 160 797	**174 761 508**	**173 795 159**	**173 647 451**

51. Operating leases

Motor vehicles				
Contractual amounts	12 067 548	19 381 130	12 067 548	19 381 130
Equipment				
Contractual amounts	12 767 291	16 717 333	12 755 981	16 706 235
	24 834 839	**36 098 463**	**24 823 529**	**36 087 365**

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*
52. Remuneration of councillors					
Mayor		1 588 891	1 587 810	1 588 891	1 587 810
Deputy Mayor		1 292 262	1 292 262	1 292 262	1 292 262
Speaker		1 298 262	1 292 262	1 298 262	1 292 262
Chief Whip		1 220 017	1 220 018	1 220 017	1 220 018
Executive Committee Members		9 834 032	9 808 358	9 834 032	9 808 358
Municipal Public Accounts Committee Chairperson		1 185 608	1 185 608	1 185 608	1 185 608
Councillors		41 963 214	42 235 974	41 963 214	42 235 974
Total Remuneration of Councillors		**58 382 286**	**58 622 292**	**58 382 286**	**58 622 292**
Remuneration of Mayor					
Basic salary		1 288 652	1 284 789	1 288 652	1 284 789
Pension Contributions		187 057	192 718	187 057	192 718
Medical aid contributions		66 178	63 299	66 178	63 299
Phone allowance		47 004	47 004	47 004	47 004
		1 588 891	**1 587 810**	**1 588 891**	**1 587 810**
Remuneration of Deputy Mayor					
Basic salary		1 245 258	1 245 258	1 245 258	1 245 258
Phone allowance		47 004	47 004	47 004	47 004
		1 292 262	**1 292 262**	**1 292 262**	**1 292 262**
Remuneration of Speaker					
Basic salary		913 910	897 936	913 910	897 936
Medical aid contributions		40 798	50 748	40 798	50 748
Pension contributions		135 005	134 352	135 005	134 352
Phone allowance		47 004	47 004	47 004	47 004
Travelling allowance		161 545	162 222	161 545	162 222
		1 298 262	**1 292 262**	**1 298 262**	**1 292 262**
Remuneration of Chief Whip					
Basic salary		977 123	980 198	977 123	980 198
Medical aid contributions		49 322	45 786	49 322	45 786
Pension contributions		146 568	147 030	146 568	147 030
Phone allowance		47 004	47 004	47 004	47 004
		1 220 017	**1 220 018**	**1 220 017**	**1 220 018**
Remuneration of Executive Committee Members					
Basic salary		8 265 448	8 325 806	8 265 448	8 325 806
Housing allowance		51 431	51 509	51 431	51 509
Medical aid contributions		319 982	302 917	319 982	302 917
Out of pocket expenses		19 373	48 218	19 373	48 218
Pension contributions		448 279	343 465	448 279	343 465
Phone allowance		376 032	376 032	376 032	376 032
Travelling allowance		353 487	360 411	353 487	360 411
		9 834 032	**9 808 358**	**9 834 032**	**9 808 358**
Remuneration of other Councillors					
Basic salary		31 990 783	32 792 966	31 990 783	32 792 966
Housing allowance		150 615	40 615	150 615	40 615
Medical aid contributions		1 683 339	1 579 163	1 683 339	1 579 163
Pension contributions		2 269 001	2 279 434	2 269 001	2 279 434
Phone allowance		3 161 019	3 180 902	3 161 019	3 180 902
Travelling allowance		2 708 457	2 362 894	2 708 457	2 362 894
		41 963 214	**42 235 974**	**41 963 214**	**42 235 974**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Municipal Public Accounts Committee Chairperson					
Basic salary		1 089 284	1 092 820	1 089 284	1 092 820
Medical aid contributions		49 320	45 784	49 320	45 784
Phone allowance		47 004	47 004	47 004	47 004
		1 185 608	**1 185 608**	**1 185 608**	**1 185 608**

Other information

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time.

53. Transfer and subsidies

Grants paid to ME's					
Safe City Msunduzi NPC		-	-	16 432 381	14 026 746
Other subsidies					
Arbitration awards		19 000	248 376	19 000	248 376
Grant in aid		-	9 000 000	-	9 000 000
Injury on duty		1 906 744	1 840 619	1 906 744	1 840 619
Post retirement benefits		28 373	121 532	28 373	121 532
		1 954 117	**11 210 527**	**1 954 117**	**11 210 527**
		1 954 117	**11 210 527**	**18 386 498**	**25 237 273**

54. Construction contracts

Human settlements - housing

Construction contracts : revenue		-	324 324	-	324 324
Construction contracts : expense		-	(324 324)	-	(324 324)
		-	**-**	**-**	**-**

The construction contracts relate to the agreements entered into between the Municipality and the KwaZulu-Natal Department of Housing in respect of housing projects where the Municipality is a project developer in this arrangement. This arrangement is accounted for in line with the accounting policy for Construction Contract - Housing Projects.

The construction contracts expenses consist mainly of contracted services wherein the Municipality procures the services of building contractors and other consultants in the construction of the houses on its behalf.

The construction contracts revenue is recognised on a stage of completion based on the costs incurred. There are no contracts accounted for as work in progress given that costs are expensed when incurred.

The amounts received in advance for work to be done is recognised as a liability and disclosed on Note 17: Transfer payables: Advance receipts.

The amount of retentions are RNil .The construction of housing projects is insured by NHBRC.

55. Remeasurements - employee benefits obligation

Long service		(2 459 481)	1 193 325	(2 459 481)	1 193 325
Post retirement benefit - medical aid		(27 699 496)	15 499 633	(27 699 496)	15 499 633
		(30 158 977)	**16 692 958**	**(30 158 977)**	**16 692 958**

Refer to Note 20

56. Fair value adjustments on investment property

Investment property (fair value model)		10 536 000	196 900	10 536 000	196 900

57. Fair value on agricultural assets

Fair value on agricultural assets		22 930 672	11 198 051	22 930 672	11 198 051

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
58. Impairment loss					
Impairments					
Property, plant and equipment					
The procedure used to determine if the asset was impaired was to physically inspect the asset and determine if the asset was impaired and what factors contributed to the impairment and then comparing the condition, age and cost of the asset to the current records in the asset register and if there was a change this was then adjusted.		(13 619 200)	(81 805)	(13 619 200)	(81 805)
Heritage assets					
A grading system which reflects the condition of each asset in relation to a monetary value whereby 0 indicated a 100% loss of value and 5 signified 100% retention of value with a sliding scale for the degree of damage apropos value was used to arrive at the impairment value.		-	(2 706 412)	-	(2 706 412)
		(13 619 200)	**(2 788 217)**	**(13 619 200)**	**(2 788 217)**
59. Inventory losses					
Inventories losses		(5 392 476)	(2 534 098)	(5 392 476)	(2 534 098)
60. Cash generated from operations					
Deficit		(119 746 029)	(569 755 658)	(120 644 369)	(569 619 840)
Adjustments for:					
Depreciation and amortisation		324 279 413	359 807 002	323 614 022	359 059 558
(Gain)/loss on disposal of assets		5 179 129	13 689 366	5 095 812	13 584 185
Fair value adjustments		(10 536 000)	(196 900)	(10 536 000)	(196 900)
Impairment deficit		13 619 200	2 788 217	13 619 200	2 788 217
Debt impairment		1 231 878 009	1 026 931 832	1 231 878 009	1 026 931 832
Bad debts written off		8 967 184	22 523 583	8 967 184	22 523 583
Movements in retirement benefit assets and liabilities		77 097 000	23 987 000	77 097 000	23 987 000
Movements in provisions		(507 168)	(20 344 707)	(507 168)	(20 344 707)
Fair value on agricultural assets		(22 930 672)	(11 198 051)	(22 930 672)	(11 198 051)
Inventory losses		5 392 476	2 534 098	5 392 476	2 534 098
Donations and transfers -non cash		(3 172 232)	(588 650)	(3 172 232)	(588 650)
Changes in working capital:					
Inventories		(5 169 104)	(63 800 777)	(5 169 104)	(63 800 777)
Other debtors		(1 773 984)	86 083 305	(1 773 984)	86 083 305
Consumer debtors		(1 070 266 459)	(736 334 149)	(1 070 266 459)	(736 334 149)
Receivables from non-exchange transactions		-	1 283 214	-	1 283 214
Statutory receivables		(311 506 038)	(170 162 614)	(311 506 038)	(170 162 614)
Payables from exchange transactions		828 563 490	645 089 761	833 161 800	645 114 171
VAT		(125 525 128)	(120 816 901)	(125 591 574)	(120 846 789)
Taxes and transfers payable (non-exchange)		(3 355 466)	(3 001 208)	(3 355 466)	(3 001 208)
Unspent conditional grants and receipts		19 679 322	11 015 072	19 679 322	11 015 072
Consumer deposits		14 744 178	10 169 524	14 744 178	10 169 524
		854 911 121	**509 702 359**	**857 795 937**	**508 980 074**
61. Additional disclosure in terms of Municipal Finance Management Act					
Contributions to organised local government					
Current year subscription / fee		1 014 289	983 064	1 014 289	983 064
Amount paid - current year		(1 014 289)	(983 064)	(1 014 289)	(983 064)
		-	**-**	**-**	**-**
Audit fees					
Opening balance		642 672	220 697	642 473	220 697
Current year subscription / fee		21 844 494	19 231 262	21 227 700	18 730 869
Amount paid - current year		(21 010 084)	(18 588 789)	(20 393 291)	(18 088 396)
Amount paid - previous years		(642 473)	(220 697)	(642 473)	(220 697)
		834 609	**642 473**	**834 409**	**642 473**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
SDL, PAYE and UIF					
Opening balance		20 999 200	17 581 970	20 999 200	17 581 970
Current year subscription / fee		258 787 418	248 836 741	257 001 478	247 301 169
Amount paid - current year		(258 367 993)	(245 419 511)	(256 582 053)	(243 883 939)
		21 418 625	**20 999 200**	**21 418 625**	**20 999 200**

Statutory payments are due by the 7th of the following month.

Pension and medical aid deductions					
Opening balance		36 681 198	34 637 792	36 681 198	34 637 792
Current year subscription / fee		466 690 970	442 811 149	464 801 413	441 033 418
Amount paid - current year		(463 794 300)	(440 767 743)	(461 904 743)	(438 990 012)
		39 577 868	**36 681 198**	**39 577 868**	**36 681 198**

Total medical aid and pension contributions are payable by the 4th and 7th of the following month respectively.

VAT					
VAT receivable		612 935 476	487 410 348	613 474 290	487 882 716

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days.

30 June 2025	Outstanding more than 90 days
Haroon Daniel Kemp	21 699
Mzimukulu Thebolla	962
Sibusiso Ntuli	1 007
	23 668

30 June 2024	Outstanding more than 90 days
Randall Adams	16 896
Ross Bryan Strachan	6 108
	23 004

Included in the consumer debtors impairment (Refer to note 7) is Councillors in arrears outstanding debt. The total councillors' impairment is R12 379 (2024 :R32 446).

Bad debts recognised in the Statement of Financial Performance relating to Councillors amounts to Nil (2024: Nil). Refer to note 42.

Honourable Mzimukulu Thebolla's account was subsequently paid and is up to date.

62. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Regulation 36 of the Municipal SCM Regulations of 2005 permits the Accounting Officer to "dispense with official procurement processes established by the policy and to procure any required goods or services through any convenient process".

This would typically include urgent and emergency cases, single-source/sole providers of goods and services, and any other cases where it is impractical to follow normal SCM process. In the event of such a decision, the Accounting Officer is required to report this to the next council meeting for noting.

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Deviations per category					
Advertisements		728 339	2 650 226	728 339	2 650 226
Computer expenditure		4 704 439	2 281 139	4 704 439	2 281 139
Legal		228 102	1 681 408	228 102	1 681 408
Other		4 915 764	759 305	4 915 764	759 305
Repairs and maintenance		-	1 384 899	-	1 384 899
Repairs to motor vehicles		28 189 338	22 820 958	28 189 338	22 820 958
Service delivery		-	27 944 352	-	27 944 352
		38 765 982	**59 522 287**	**38 765 982**	**59 522 287**

Contract number	Contract name	Description of contract	Reasons for deviation	2025 Contract amount
Database	Various companies	Repairs to motor vehicles	Strip and Quote in terms section 36(1)v " in any other exceptional case where it is impractical or impossible to follow the official procurement processes."	28 189 338
Various orders	Various companies	Advertisement costs	Sole supplier	728 339
5S36 of 22/23	IMQS Software Pty Ltd	Annual license and software maintenance agreement(AL SMA)	IMQS Pty Ltd are the sole provider/supplier of this software as they were the developers of the software.	378 705
15/S36 of 22/23	Cyberfox	Supply, delivery, installation and commissioning of building plan management	Cyberfox are the sole custodians of the software that the Municipality uses. The system was developed by the service provider for the municipality and all upgrades can only be done by the service provider. It is impractical or impossible to follow the official procurement processes.	354 300
Contract no.1S36 of 24/25	Adroit Technologies	Appointment of service provider for software upgrade and maintenance of the SCADA system	Adroit Technologies are the sole custodians of the software that the municipality uses. The deviation is approved in terms of regulation 36(1)(ii) of the Municipal Finance Management Regulations	338 523
2S36 of 24/25	Sysman Public Safety Systems	Appointment of a service provider for the maintenance of the Emergency Control Centre (ECCO software)	Sysman Public Safety Systems are the sole custodians of the software that the municipality uses. The deviation is approved in terms of regulation 36(1)(ii) of the Municipal Finance Management Regulations.	369 642
3S36 of 24/25	Ncadi Risk and Protection Services	Appointment of a South African civil aviation authority approved security company to render aviation security services at the Pietermaritzburg airport	The Airport has an existing contract with a service provider that is under liquidation continuing with business with an aviation security service provider under liquidation will have several significant implications. The aviation security is highly regulated and a provider under liquidation might not fully comply with the required security standards or regulations, posing a risk to the airport's compliance status.	3 556 099
4S36 of 24/25	Total Computer Services	Appointment of a service provider for the traffic contravention system	Total Client Services are the sole custodians of the software that the municipality uses. The deviation is approved in terms of regulation 36(1)(ii) of the Municipal Finance Management Regulations.	103 000
7/S36 of 24/25	Pietermaritzburg Power Products	Appointment of a service provider for the repairs of brush cutters	The scope of work cannot be established as the equipment requires to be stripped for diagnosis which then necessitated regulation 36(v); in any other exceptional case where it is impractical or impossible to follow the official procurement process.	579 308
8/S36 of 24/25	Fueltec Pty Ltd	Appointment of a service provider for the maintenance of the 9 cubic meter gas tank at the Mountainrise crematorium	Due to the emergency created by the public to have the crematoria fully functional as well as to meet the demands of the religious rights of the organizations that utilize the crematoria it has become an urgent need to repair the dysfunctional crematoria.	543 456
9/S36 of 24/25	Shukugreen Leaf	Appointment of a service provider to provide professional event management services	Due to the emergency created by the delay from DSAC on the grant transfer.	236 900

Contract number	Contract name	Description of contract	Reasons for deviation	2025 Contract amount
12s36 of 24/25	The provision of support services on all Doble instruments used by Msunduzi Municipality	Doble Engineering Africa (Pty) Ltd	Doble engineering is the sole supplier of the software and hardware that the municiplaity uses. The deviation is approved in terms of regulation 36(i)(ii) of the Municipal Finance Regulations.	105 915
5s36 of 24/25	Appointment of a service provider to provide storage of public records for the Msunduzi Municipality	Iron mountain South Africa	Municipal documents are currently under the custody of Iron Mountain South Africa. Relocation to another service provider would also mean additional costs which would include reboxing and reindexing.	5 476
6/s36 of 24/25	Appointment of a service provider for the audit command language (ACL) system	Surtech Solutions RSA (Pty) Ltd	Surtech solutions RSA (Pty) Ltd are the sole custodians of the software. The deviation is approved in terms of regulation 36(1)(ii) of the Municipal Finance Management Regulations.	718 250
10/s36 of 24/25	Appointment of a service provider to provide a legal research database	Lexis Nexis Pty Ltd	Lexis Nexis are the sole custodians of the software. The deviation is approved in terms of regulation 36(1)(ii) of the Municipal Finance Management Regulations.	228 102
11/s36 of 24/25	Appointment of a service provider for the licensing and maintenance of Neobank system	F.J. G Retief t/a Neorick	Neorick are the sole custodians of the software. The deviation is approved in terms of regulation 36(1)(ii) of the Municipal Finance Management Regulations.	634 810
12/s36 of 24/25	Appointment of a service provider for the licensing of Ivanti Neurons Enterprise Software	Altron digital business, a division of Altron Technology	Altron Digital Business are the sole custodians of the software. The deviation is approved in terms of regulation 36(1)(ii) of the Municipal Finance Management Regulations.	1 695 819
				38 765 982

63. Supply Chain Management regulation 45 of the MFMA

Awards to close family members of persons in the service of the state.

Name of the service provider	Employee name	Job title	Organ of state	Amount paid
The Borain Brothers cc T/A Borain Leyland	Mchunu Nomvula Teressa	General Worker Infrastructure	Msunduzi Municipality	-
Mathew Francis Inc	Brenden Sivparsad	Senior Manager Water and Sanitation	Msunduzi Municipality	17 415 653
Eka GP Trading Enterprise	Nhlakanipho Wiseman Gini Dlamini	General Assistant Mechanical Workshop	Msunduzi Municipality	-
Valimbo Primary Co-Operative	Mzwenhlanhla Wiseman Khoza	General Assistant Waste Management	Msunduzi Municipality	-
Ekuseni Investment Holdings	Sandile Dlamini	Councillor		-
Gibb (Pty) Ltd	K. Pillay	Data Capturer	Department of Education	-
	P. Pillay	Educator	Department of Education	-
	Alan Moon	Head: Business Continuity	City of Cape Town	-
	John Watson	Director: Accounting Support and Reporting	National Treasury	
	Leigh Stolworthy	Principle: Professional IRT System Planning	Department of Education	
	Sonnika Cilliers	Educator	Department of Education	
	Nokuthula Mkhize	Accounting Clerk	National Department of Water Affairs and Forestry	
	Jeanne Mare	Senior Educator	Department of Education	
	Imra Brink	Educator	Department of Education	
	Nkosinathi Mzayiya	Correctional Officer	Department of Correctional Services	
	Jacqueline Gooch	Head of Department	Department of Transport	
	Unathi Lekonyana	Deputy Director: Grant Monitoring and Analysis	Deputy Director: Grant Monitoring and Analysis	
	Douglas Kiewiet	Area Manager (North)	National Department of Water Affairs and Forestry	
	Rajiv Beharie	Senior Engineer	Eskom	
	M B Haq	Architect / Town Planner	City of Cape Town	-

Name of the service provider	Employee name	Job title	Organ of state	Amount paid
SMEC South Africa	Yvonne Pinky Phosa	Member of National Assembly, standing Committee on appropriation	National Assembly - Standing Committee on Appropriations	6 059 618
Govert Vetten	S. Vetten		Western Cape Department of Health	4 757 296
Mkholwa IT Services	Nombuso Mabizela	Chief Town Planner	Msunduzi Municipality	9 892 121
Maseko Hlongwa and Associates	Spouse		Department of Social Development	49 147 710
SBS Electrical CC	Spouse	Senior Clerk	Msunduzi Municipality	671 685
Asiphe Business Solutions	Cousin	General Assistant	Msunduzi Municipality	172 500
Secret Steps Trading	Spouse	HR division	City of Tshwane	1 170 114
				89 286 698

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
64. Irregular expenditure					
Opening balance as previously reported		543 639 083	710 603 907	541 695 710	708 712 306
Opening balance as restated		**543 639 083**	**710 603 907**	**541 695 710**	**708 712 306**
Add: Irregular Expenditure - relating to current year		62 511 883	4 767 661	62 460 145	4 715 889
Add: Irregular Expenditure - relating to prior years		6 280 852	9 349 530	6 280 852	9 349 530
Less: Irregular expenditure written off		(87 568 449)	(181 082 015)	(87 568 449)	(181 082 015)
Closing balance		**524 863 369**	**543 639 083**	**522 868 258**	**541 695 710**
Analysis of expenditure awaiting Council's decision for write off or recovery per age classification					
2008/2009		4 689 501	4 689 501	4 689 501	4 689 501
2009/2010		6 277 108	6 277 108	6 277 108	6 277 108
2010/2011		4 084 312	4 084 312	4 084 312	4 084 312
2011/2012		43 930	43 930	43 930	43 930
2013/2014		12 650	12 650	12 650	12 650
2014/2015		814 711	814 711	814 711	814 711
Safe City 2015/16		417 936	417 936	-	-
2016/2017		173 238 990	173 238 990	173 135 231	173 135 231
2015/2016 and 2016/2017 written off		(66 475 518)	(66 475 518)	(66 475 518)	(66 475 518)
2017/2018		176 087 907	176 087 907	175 906 287	175 906 287
2018/2019 plus comparative periods identified in current year		226 467 899	226 467 899	226 367 643	226 367 643
2013/14, 2014/15, 2017/18 and 2018/19 written off		(73 052 938)	(73 052 938)	(73 052 938)	(73 052 938)
2019/2020		57 071 637	57 071 637	56 675 709	56 675 709
2019/2020 identified in 2020/2021		6 844 388	6 844 388	6 844 388	6 844 388
2020/2021		51 327 176	51 327 176	50 766 130	50 766 130
2020/21 identified in 2021/22		26 072 427	26 072 427	26 072 427	26 072 427
2021/2022		80 275 646	80 275 646	80 230 362	80 230 362
2022/2023		59 974 929	59 974 929	59 889 157	59 889 157
22/23 Prior year error (incorrect treatment amount should have been treated as fruitless and wasteful expenditure) (21 353 619)		(21 353 619)	(21 353 619)	(21 353 619)	
Prior year error: Yashua Aqua Jet reclassification		(2 215 165)	(2 215 165)	(2 215 165)	(2 215 165)
Prior year over payment of councillors (1 July 2019 to 31 January 2023)		9 349 530	9 349 530	9 349 530	9 349 530
SCM 60 of 20/21 Mastross incorporated 23/24 amount exceeding scope of work		321 326	321 326	321 326	321 326
SCM 60 of 20/21 MC Ntshalintshali Attorneys 2023/24 amount exceeding scope of work		821 107	821 107	821 107	821 107
SCM 60 of 20/21 Mabaso and Partners 2023/24, amount exceeding scope of work		3 573 456	3 573 456	3 573 456	3 573 456
Write off as per Council resolution dated 27 September 2023		(181 082 015)	(181 082 015)	(181 082 015)	(181 082 015)
Safe City - 2023/24		51 772	51 772	-	-
2021/2022 SS 23R (Write off)		(41 458 003)	-	(41 458 003)	-
2022/2023 SS 23R (Write off)		(46 110 446)	-	(46 110 446)	-
Deviation		272 435	-	272 435	-
The winning contractor's grading was not suitable for the value of the contract		13 040 000	-	13 040 000	-
Harwood Project F (27(24/25)		48 895 975	-	48 895 975	-

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
24/25 FY: SCM 33 of 21/22 and SCM 23/24		251 735	-	251 735	-
Prior correction relation to Harewood F 27(24/25)		6 280 852	-	6 280 852	-
Safe City -2024/25		51 738	-	-	-
		524 863 369	**543 639 083**	**522 868 258**	**541 695 710**

Cases under investigation

Section 32(4) of the Municipal Finance Management Act requires that Council can deal with these matters in the manner prescribed.

In the case of irregular and fruitless and wasteful expenditure, it is only after an investigation has been conducted that irregular expenditure can be certified as irrecoverable and written off by Council. Amounts of R66 475 518, R73 052 938, R181 082 015 and R87 568 449 were written off. For the rest of the irrregular expenditure, investigations are still open and as soon as they are finalised Council will implement the recommendations.

Municipal Supply Chain Management policies or by laws		62 511 883	4 767 661	62 460 145	4 715 889

65. Commitments

Authorised capital expenditure

Already contracted for but not provided for				
• Property, plant and equipment	316 704 249	289 687 789	316 704 249	289 687 789
• Intangible assets	31 162 528	34 978 714	31 162 528	34 978 714
	347 866 777	**324 666 503**	**347 866 777**	**324 666 503**
Total capital commitments				
Already contracted for but not provided for	347 866 777	324 666 503	347 866 777	324 666 503

Authorised operational expenditure

Already contracted for but not provided for				
• Approved and contracted	558 477 827	469 190 795	558 477 827	469 190 795
Total operational commitments				
Already contracted for but not provided for	558 477 827	469 190 795	558 477 827	469 190 795
Total commitments				
Already contracted for but not provided for	906 344 604	793 857 298	906 344 604	793 857 298

The future commitments will be financed through council own funding, national and provincial grants in terms of DORA. Commitments are exclusive of Value Added Taxation.

The commitments register have been updated to exclude human settlement projects due to the transition of Human Settlements contracts from bilateral to tripartite agreements.

Operating leases - as lessee (expense)

Minimum lease payments due				
- within one year	5 487 531	4 976 487	5 487 531	4 976 487
- in second to fifth year inclusive	-	4 976 487	-	4 976 487
	5 487 531	**9 952 974**	**5 487 531**	**9 952 974**

Operating lease payments represent rentals payable by the municipality for certain office equipment.

66. Unauthorised expenditure

Opening balance as previously reported	-	-	-	-

There was no unauthorised expenditure incurred in the current year.\

67. Fruitless and wasteful expenditure

Opening balance as restated	**260 658 020**	**236 416 772**	**260 644 304**	**236 403 056**
Add: Fruitless and wasteful expenditure - relating to current year	114 060 447	25 070 700	114 060 447	25 070 700
Add: Fruitless and wasteful expenditure - prior period	-	453 762	-	453 762
Less: Fruitless and wasteful expenditure written off	(126 088 658)	-	(126 088 658)	-
Less: Fruitless and wasteful - recovered	-	(1 283 214)	-	(1 283 214)
Closing balance	**248 629 809**	**260 658 020**	**248 616 093**	**260 644 304**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Analysis of expenditure awaiting Council's decision for write off or recovery per age classification					
2006/2007		92 967	92 967	92 967	92 967
2014/2015		299 475	299 475	285 759	285 759
2016/2017		185 004	185 004	185 004	185 004
2017/2018		5 773 719	5 773 719	5 773 719	5 773 719
2018/2019		972 485	972 485	972 485	972 485
2019/2020		2 612 516	2 612 516	2 612 516	2 612 516
2020/2021		7 115 011	7 115 011	7 115 011	7 115 011
2021/2022		681 580	681 580	681 580	681 580
2020/2021 identified 2022/2023		11 651 917	11 651 917	11 651 917	11 651 917
2022/2023		153 182 256	153 182 256	153 182 256	153 182 256
2022/2023 identified 2023/2024		7 715 504	7 715 504	7 715 504	7 715 504
2022/2023 identified 2023/2024		453 762	453 762	453 762	453 762
2023/2024		25 070 700	25 070 700	25 070 700	25 070 700
2022/2023 identified 2023/2024		46 134 338	46 134 338	46 134 338	46 134 338
Less : fruitless and wasteful expenditure recovered		(1 283 214)	(1 283 214)	(1 283 214)	(1 283 214)
Less : fruitless and wasteful expenditure written off		(126 088 658)	-	(126 088 658)	-
Ms B. Banda - fruitless and wasteful		151 268	-	151 268	-
2022/2023 identified 2024/2025 Shooting Range		4 536 802	-	4 536 802	-
Identified 2024/2025 Ward 24 Community Hall professional fees		1 996 006	-	1 996 006	-
Identified 2024/2025 Over paid Senior Managers and Municipal Managers		6 025 565	-	6 025 565	-
Identified 2024/2025 Royal AM		10 350 000	-	10 350 000	-
Identified 2024/2025 Over paid Senior Managers and Municipal Managers		1 187 598	-	1 187 598	-
2024/2025		89 812 208	-	89 812 208	-
		248 628 809	**260 658 020**	**248 615 093**	**260 644 304**
Details of fruitless and wasteful expenditure					
Cancellation of tenders		385 797	207 723	385 797	207 723
Salaries and wages for suspended employees with unresolved cases within prescribed timeframe		2 408 484	5 271 413	2 408 484	5 271 413
Interest on late payment to service provider		87 017 927	14 299 083	87 017 927	14 299 083
Fraudulent transfer of funds from municipal account into third parties bank accounts for personal gain		-	89 480	-	89 480
Investigation into security company payments that was undertaken for the second time		-	1 602 056	-	1 602 056
Investigation into the settlement agreement of a Senior Manager that was settled in 2018		-	3 600 945	-	3 600 945
Ms B. Banda - fruitless and wasteful		151 268	-	151 268	-
Over paid Senior Managers and Municipal Managers		6 026 565	-	6 026 565	-
Royal AM Vusumuzi Nsthangase /Nontokozo Mazibuko		10 350 000	-	10 350 000	-
Over paid employees by human resource development		1 187 598	-	1 187 598	-
Fraud - Shooting Range Building		4 536 802	-	4 536 802	-
Ward 24 community hall Professsional fees		1 996 006	-	1 996 006	-
		114 060 447	**25 070 700**	**114 060 447**	**25 070 700**

Section 32(2)(b) of the Municipal Finance Management Act requires that Council can deal with these matters in the manner prescribed.

In the case of irregular and wasteful and fruitless expenditure, it is only after an investigation has been conducted that irregular expenditure can be certified as irrecoverable and written off by Council hence there is no movement between financial years 2008/2009 to 2021/2022 as the investigations are still open and as soon as they are closed Council will write off or condone this expenditure.

A system has been put in place to stream-line the payment process to ensure non occurrence of interest costs.

Staff have been advised on possible recovery of costs due to negligence.

68. Electricity and water losses

Electricity losses				
Units purchased - kWh	1 636 501 213	1 640 670 757	1 636 501 213	1 640 670 757
Units sold - kWh	(1 254 745 635)	(1 337 876 978)	(1 254 745 635)	(1 337 876 978)
Loss - kWh	**381 755 578**	**302 793 779**	**381 755 578**	**302 793 779**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Electricity loss as a percentage		23,32	18,78	23,32	18,78
Costs per kWh in rands		1,87	1,65	1,87	1,65
Electricity losses in rand value		715 038 054	500 955 087	715 038 054	500 955 087

The significant electricity losses of 381 755 578 kWh occurred during the year under review, which resulted in material revenue losses to the municipality.

The increase of losses from previous financial year may be as a result of the following:

Some of the main contributing factors to increased electricity losses are:

Non –Technical Losses
- Illegal connections.
- Infrastructure vandalism.
- Metering inaccuracies (due to faulty meters).
- Unmetered energy (meter tempering or bypassing the meter at the customer meter).
- Revenue collection
- Unaudited billing/billed figures

Technical losses (these are inherent in the distribution networks and cannot be eliminated):
- Ageing infrastructure that results in increased power dissipation during transmission and distribution on lines, cables and transformers in the system.
- Overloading.

How are these non technical and technical losses being addressed
Strategy to minimize electricity losses has been developed and is being implemented in line with available resources. (meter auditing, account verification prior to attending fault,faulty meter changing, implementantion of Bylaws, electrification of the areas that are approved by DMRE, eradication of Tjoints etc.). Proposal to implement load reduction during peak hours in areas where there are high non technical losses

Water losses				
Units purchased (kl)	82 949 693	79 524 549	82 949 693	79 524 549
Units sold (kl)	(66 088 432)	(62 334 281)	(66 088 432)	(62 334 281)
Real losses (kl)	13 657 621	13 924 117	13 657 621	13 924 117
Apparent losses (kl)	3 203 640	3 266 151	3 203 640	3 266 151
Total water losses (kl)	**16 861 261**	**17 190 268**	**16 861 261**	**17 190 268**
Water loss as a percentage	20,33	21,62	20,33	21,62
Cost per kl in rands	9,891	8,951	9,891	8,951
Water loss in rand value	166 774 733	153 870 092	166 774 733	153 870 092

- As per legislation stipulated in MFMA circular No. 71 : Norms and Standards States Total Water Losses : YTD 2025 20,33%.
- A calculated outcome of 16 861 261 kl was identified as a material water loss for the 2024/2025 year under review.
- Many areas were without water for long periods of time due to the complexities of initiating repairs. Furthermore the adverse enviromental conditions did not allow for reasonable quick repairs
- During the month of June 2025, vandilised infrastructure caused a significant increase to water losses.
- It must be noted the volume of water purchased from Umgeni water is over a 36 day period rather than the usual 30 days. This will have a significant increase in water purchases. Further noting that the Sales information as received from Finance is over a 30 day period.

Non-Revenue Water Initiatives undertaken during the month of June 2025
- 10748 water meters were audited from July 2024 to June 2025 through meter replacement, restrictions, reconnection and vetting of high billed consumers. The respective information has been submitted to Finance Revenue Section.
- 225 water meters were replaced by Msunduzi plumbers.
- 101 water mainline bursts were attended by Msunduzi plumbers
- 8 water meters were hard disconnected and 23 water meters were restricted for arrear debt owed to the Msunduzi Municipality.
- 7 water meters were found tampered and action taken. The respective tampering evidence and paperwork was submitted to Finance credit control.
- Finance Revenue has submitted a list of high billed consumption for investigation.106 has been audited and technical assessment submitted to Finance.

The following core Non-Revenue Water Interventionsfor the 2024/25 financial year
Real Losses Interventions(ongoing):
- The Water Business unit is currently actively reducing outlet flows at Reservoirs around the Msunduzi Jurisdiction of Supply.
- PRV Maintenance and recommissioning of Automated controllers.
- Reservoir and control valve inspections and optimization.
- Custody and transfer meter checks.

Billing Improvement Interventions:
- Meter replacements 4172 units
- Burst mains 1725 units
- Meter removed/hard disconnected 110 units
- Meters restricted 4011 units
- Meters tampered 583 units
- High billed consumption audit 147 units

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*

69. Non - compliance with Municipal Finance Management Act

The Municipality did not comply with section 65(2)(e) of the MFMA.
There were instances of non-compliance wherein some suppliers were not paid within 30 days.

70. Accounting by principals and agents

The Municipality is party to principal-agent arrangements.

Details of the arrangements are as follows:

Department of Human Settlements KwaZulu Natal (Housing Projects)

The Municipality is Level 1 accredited Municipality and in terms of the Implementation Protocol. Msunduzi Local Municipality is accredited in terms of section 10 of the Housing Act to Administer all the National programmes on behalf of the Provincial Department of Human Settlements. The Municipality is authorised within its municipal area to manage and administer all Housing programmes as per Para 7 of the Implementation Protocol.

Sale of Prepaid Electricity

The municipality utilises the service of an agent for provision of supply, delivery, installation and commissioning of an online hosted prepayment electricity vending and revenue management system for the Msunduzi Local Municipality.

There is a binding arrangement where Contour Technology (Pty) Ltd (agent) undertakes transactions with 3rd parties, on behalf of, and for benefit of, Msunduzi Local Municipality (principal).

Terms and conditions are as per the contract and no changes occurred during the reporting period.

No risks as the Municipality is able to access the Contour prepaid electricity and is able to reconcile monies paid to the municipality by the agent to the actual sales as per the reports for correctness.

Department of Transport (Driver's licences)

The municipality acts as an agent of the KwaZulu-Natal Department of Transport for the following services:

- Application for renewal of driving licence
- Issue of credit card format driving licence, including eye test and fingerprints
- Issue of duplicate credit card format driving licence, where required
- Renewal of credit card format driving licence, including eye test and fingerprints
- Issue of temporary driving licence
- Issue of professional driving permit, including eye test and fingerprints
- Issue of duplicate professional driving permit, where required
- Substitution of foreign driving licence and issue of credit card format driving licence card, including eye test and fingerprints
- Verification of driving licence particulars
- Referral of all queries to the Departmental employee specified by the RTI contact person within two working days of a query or lodging of a complaint or dispute.

The agreement is valid for the period from 1 April 2024 to 31 March 2027. Terms and conditions are as per the contract and no changes occurred during the reporting period. In terms of clause 6.4 of the agreement with the Department, in the event that the agreement expires prior to a new one being finalised, the municipality will perform the functions listed in the agreement on behalf of the Department on a month-to-month basis, for a period of not more than twelve months.

The purpose of the principal-agent relationship is to ensure greater access to clients throughout the province. No significant risks have been identified in this relationship.

Municipality as an agent

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements

There are no resources held on behalf of principals.

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principals is show below:

Driver's Licenses and professional driver's permits	3 013 565	2 666 696	3 013 565	2 666 696
Department of Human Settlements - accreditation fee	12 618 289	1 842 325	12 618 289	1 842 325

Liabilities and corresponding rights of reimbursement recognised as assets

There are no corresponding rights of reimbursement that have been recognised as assets.

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Additional information to municipality as an agent					
Revenue and expenses that relate to transactions with third parties undertaken in terms of the principal-agent arrangement					
Amount of revenue received on behalf of the principal during the reporting period					
Driver's licences and Professional driver's permits		844 589	785 023	844 589	785 023
Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)					
Reconciliation of the carrying amount of payables					
Department of Human Settlements (Housing Settlements)					
Opening balance		12 566 995	15 568 203	12 566 995	15 568 203
Interest earned on behalf of the principal		316 857	382 552	316 857	382 552
Payments on behalf of the principal		(3 672 323)	(3 383 760)	(3 672 323)	(3 383 760)
		9 211 529	**12 566 995**	**9 211 529**	**12 566 995**
Department of Transport (Driver's licences)					
Opening balance		195 367	234 235	195 367	234 235
Payment to principal		(195 367)	(234 235)	(195 367)	(234 235)
Revenue received on behalf of the principal (unpaid)		55 379	195 367	55 379	195 367
		55 379	**195 367**	**55 379**	**195 367**

There are restrictions to cash collected on behalf of the Department of Transport. The municipality cannot use these funds for operational purposes.

All categories					
Opening balance		12 762 362	15 802 438	12 762 362	15 802 438
Interest earned on behalf of the principal		316 857	382 552	316 857	382 552
Cash paid on behalf of the principal		(3 672 323)	(3 383 760)	(3 672 323)	(3 383 760)
Payment to principal		(195 367)	(234 235)	(195 367)	(234 235)
Revenue received on behalf of the principal (unpaid)		55 379	195 367	55 379	195 367
		9 266 908	**12 762 362**	**9 266 908**	**12 762 362**
Entity as principal					
Resources (including assets and liabilities) of the entity under the custodianship of the agent					
There are no municipal resources under the custodianship of the agent.					
Fee paid					
Fee paid as compensation to the agent -Prepaid electricity		2 673 953	2 146 158	2 673 953	2 146 158
Resource and/or cost implications for the entity if the principal-agent arrangement is terminated					
None					

71. Related parties

Relationships

Municipal entity	Safe City Msunduzi NPC
Controlling entity	Msunduzi Local Municipality
Close family member of key management	Ekuseni Investment Holdings
Members of key management	City Manager : Simon Felani Mndebele Chief Financial Officer : Nelisiwe M. Ngcobo Deputy Municpal Manager - Community Services : Mandla Zuma (Acting) Deputy Municipal Manager - Corporate Services : Mosa L.I Molapo Deputy Municipal Manager - Infrastructure Services : Sabelo N. Hlela Deputy Municipal Manager - Electricity : Simphiwe Mchunu Deputy Municipal Manger - Sustainable Development and City Enterprises : Nhlanhla Z. Khuzwayo Chief Audit Executive: Petrus J. Mahlaba General Manager : L. Holtzhausen (Safe City Msunduzi NPC) Finance Manager : L. Mavuso (Safe City Msunduzi NPC) Technical Manager : R. Holtzhausen(Safe City Msunduzi NPC)

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Safe City Msunduzi NPC - board of directors	Chairperson: D. Sokhela Vice Chairperson : G Moody Director : R. Singh Director : S Ako-nai Director : K Basson				

Councillor Sandile Dlamini is a brother of a Director of Ekuseni Investment holdings.

Administrative assistant R. Holtzhausen is a close family member of the General Manager and Technical Manager of Safe City Msunduzi NPC.

In kind benefits

The salary and benefits of the Ministerial representative are paid by the Department of Cooperative Governance and Traditional Affairs. The municipality has not been charged for the services rendered by the Municipal representative.

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties		
Matthew Francis Inc	(1 803 439)	(2 484 163)
Mkholwa IT Services	(713 432)	(657 679)

There are no guarantees given or received with regards to the related party balances outstanding.

There related party balances are unsecured.

The terms and conditions with related parties are on an arm's length basis. There is no specific provision with regards to the nature of the consideration to be provided in settlement of the related party balances.

Refer to note Note 61 for Councillors' arrear consumer accounts for further details on outstanding balances.

Commitments with related parties		
Matthew Francis Inc	3 504 897	8 231 595

Related party transactions

Grants paid to related parties		
Safe City Msunduzi NPC - Safe City is an entity of the Municipality	16 432 381	14 026 746
Msunduzi Municipality - Msunduzi is the controlling entity	(16 432 381)	(14 026 746)
Services from related parties		
Matthew Francis Inc - The senior manager water and sanitation's spouse is a Director at Matthew Francis Inc. The law firm is a service provider	16 219 563	36 129 952
Mkholwa IT Services - Chief Town Planner's spouse is a Director at Mkholwa IT Services.	9 234 442	4 192 732
Service charges received from related parties		
Safe City Msunduzi NPC - Safe City is an entity of the Municipality	288 679	263 091
Msunduzi Municipality - Msunduzi is the controlling entity	(288 679)	(263 091)

Remuneration of management

Councillors

2025

Name	Basic salary	Phone allowance	Housing allowance	Travelling allowance	Pension	Medical aid	Other benefits received	Total
Mayor	1 288 652	47 004	-	-	187 057	66 178	-	1 588 891
Deputy mayor	1 245 258	47 004	-	-	-	-	-	1 292 262
Speaker	913 910	47 004	-	161 545	135 005	40 798	-	1 298 262
Chief whip	977 123	47 004	-	-	146 568	49 322	-	1 220 017
MPAC chair	1 089 284	47 004	-	-	-	49 320	-	1 185 608
Executive committee members	8 265 448	376 032	51 431	353 487	448 279	319 982	19 373	9 834 032
Other councillors	31 990 783	3 161 019	150 615	2 708 457	2 269 001	1 683 339	-	41 963 214
	45 770 458	**3 772 071**	**202 046**	**3 223 489**	**3 185 910**	**2 208 939**	**19 373**	**58 382 286**

2024

Name	Basic salary	Phone allowance	Housing allowance	Travelling allowance	Pension	Medical Aid	Other benefits received	Total
Mayor	1 284 789	47 004	-	-	192 718	63 299	-	1 587 810
Deputy mayor	1 245 258	47 004	-	-	-	-	-	1 292 262
Speaker	897 936	47 004	-	162 222	134 352	50 748	-	1 292 262
Chief whip	980 198	47 004	-	-	147 030	45 786	-	1 220 018
MPAC chair	1 092 820	47 004	-	-	-	45 784	-	1 185 608
Executive committee members	8 325 806	376 032	51 509	360 411	343 465	302 917	48 218	9 808 358
Other councillors	32 792 966	3 180 902	40 615	2 362 894	2 279 434	1 579 163	-	42 235 974
	46 619 773	**3 791 954**	**92 124**	**2 885 527**	**3 096 999**	**2 087 697**	**48 218**	**58 622 292**

Executive management

2025

Name	Basic salary	Phone allowance	Housing allowance	Travelling allowance	Pension	Medical aid	Acting allowance	Bonus	Other	Total
Municipal Manager	496 437	11 000	5 849	59 231	89 359	27 574	-	96 054	1 899 686	2 685 190
Chief Financial Officer	1 178 999	14 400	180 000	172 156	114 952	61 288	120 486	60 000	12 542	1 914 823
Chief Audit Executive	1 393 675	13 800	13 373	153 262	250 862	51 066	-	115 562	22 505	2 014 105
Deputy Municipal Manager: Corporate Services	1 415 470	20 400	-	127 075	222 381	-	-	-	15 362	1 800 688
Deputy Municipal Manager: Sustainable Development and City Enterprises	795 962	12 600	-	118 460	138 203	47 322	-	-	7 075	1 119 622
Deputy Municipal Manager: Infrastructure services	997 819	20 400	-	239 545	178 384	-	38 651	-	12 850	1 487 649
Deputy Municipal Manager: Electricity	240 381	3 400	-	-	42 420	4 600	-	-	1 702	292 503
Chairperson: D. Sokhela (Safe City Msunduzi NPC)	91 439	-	-	-	-	-	-	-	-	91 439
Vice Chairperson: G. Moody (Safe City Msunduzi NPC)	57 225	-	-	-	-	-	-	-	-	57 225
Director: R Singh (Safe City Msunduzi)	42 323	-	-	-	-	-	-	-	-	42 323
Director: S .Ako-nai (Safe City Msunduzi NPC)	42 323	-	-	-	-	-	-	-	-	42 323
Director: K. Basson (Safe City Msunduzi NPC)	60 839	-	-	-	-	-	-	-	-	60 839
General Manager: L. Holtzhausen	787 003	12 000	-	36 000	-	38 424	-	83 405	2 125	958 957
Finance Manager: L. Mavuso	532 845	11 400	-	30 000	39 963	38 424	-	54 404	2 125	709 161
Technical Manager: R. Holtzhausen	488 209	11 400	-	2 000	36 616	38 424	-	50 684	2 125	629 458
	8 620 949	**130 800**	**199 222**	**937 729**	**1 113 140**	**307 122**	**159 137**	**460 109**	**1 978 097**	**13 906 305**

2024

Name	Basic salary	Phone allowance	Housing allowance	Travelling allowance	Pension	Medical aid	Acting allowance	Bonus	Other	Total
Municipal Manager	1 248 251	26 400	14 037	142 706	221 940	62 541	-	96 054	15 315	1 827 244
Chief Financial Officer	1 186 059	14 400	180 000	173 848	115 640	49 378	-	60 000	19 168	1 798 493
Chief Audit Executive	1 327 025	13 800	12 797	153 262	238 865	47 905	-	110 585	19 602	1 923 841
Deputy Municipal Manager: Corporate Services	1 361 451	20 400	-	126 656	229 233	-	-	90 000	15 667	1 843 407

Name	Basic salary	Phone allowance	Housing allowance	Travelling allowance	Pension	Medical aid	Acting allowance	Bonus	Other	Total
Deputy Municipal Manager: Sustainable Development and City Enterprises	231 094	2 400	-	56 425	-	10 555	-	154 564	554	455 592
Deputy Municipal Manager: Community services	61 247	9 380	-	-	-	1 983	-	-	130	72 740
Deputy Municipal Manager: Infrastructure services	1 108 559	20 400	-	240 052	186 565	-	114 904	-	9 658	1 680 138
Chairperson: D. Sokhela (Safe City Msunduzi NPC)	82 804	-	-	-	-	-	-	-	-	82 804
Vice Chairperson: G. Moody (Safe City Msunduzi NPC)	41 974	-	-	-	-	-	-	-	-	41 974
Director: R Singh (Safe City Msunduzi)	34 387	-	-	-	-	-	-	-	-	34 387
Director: S .Ako-nai (Safe City Msunduzi NPC)	21 162	-	-	-	-	-	-	-	-	21 162
Director: K. Basson (Safe City Msunduzi NPC)	60 839	-	-	-	-	-	-	-	-	60 839
General Manager: L. Holtzhausen	723 277	10 800	-	30 000	-	35 201	-	61 697	2 125	863 100
Finance Manager: L. Mavuso	470 918	10 200	-	24 000	35 055	35 201	- 38 950	2 125	616 449	
Technical Manager: R. Holtzhausen	438 670	10 200	-	24 000	32 752	35 201	-	36 391	2 125	579 339
	8 397 717	**138 380**	**206 834**	**970 949**	**1 060 050**	**277 965**	**114 904**	**648 241**	**86 469**	**11 901 509**

72. Events after the reporting date

- On the 8th of August 2025, the Pietermaritzburg High Court ruled that the three year sponsorship agreement between the Munipality and Royal AM, was unlawful and invalid. Royal AM was ordered to pay back the sponsorship already paid.

  The Municipality is appealing the judgement and an application has since been lodged.

73. Prior period adjustments

Presented below are those items contained in the Statement of Financial Position, Statement of Financial Performance and Cash Flow statement that have been affected by prior-year adjustments:

Statement of Financial Position

Economic entity - 2024

	Note	As previously reported	Correction of error	Restated
Accumulated surplus		(6 511 351 196)	25 995 747	(6 485 355 449)
Payables from exchange transactions		(2 279 145 985)	(23 290 619)	(2 302 436 604)
Unspent conditional grants and receipts		(189 531 603)	(311 425)	(189 843 028)
VAT receivable		488 088 688	(678 340)	487 410 348
Consumer debtors		728 825 462	81 121 060	809 946 522
Property, plant and equipment		7 257 403 948	(84 373 998)	7 173 029 950
Other debtors		8 405 438	1 085 420	9 490 858
Inventories		498 280 564	(9 665 732)	488 614 832
Statutory receivables		277 804 751	1 232 173	279 036 924
Heritage assets		323 519 929	9 046 563	332 566 492
Intangible assets		24 753 127	43	24 753 170
Consumer deposits		(152 248 286)	(109 142)	(152 357 428)
Provisions - current		(6 108 374)	(51 750)	(6 160 124)
		468 696 463	**-**	**468 696 463**

	Note	As previously reported	Correction of error	Restated
Accumulated surplus				
As previously reported		-	(6 511 351 196)	(6 500 935 644)
Raising of employee related costs in prior year paid in 2024/25 but relate to 2023/24		-	30 539 455	30 539 455
Correction GEVDI conditional grant receipt incorrectly accounted for as revenue in 2023/24 financial year		-	30 700	30 700
Correction of general expenses not accounted for accordingly		-	14 456 643	14 456 638
Correction of operational expenses incurred in 2023/24 and not accrued for		-	515 160	515 160
Correction of operational lease expense incurred in 2023/24 and not accrued for		-	287 653	287 653
Recognising of VAT omitted on a reversed journal		-	(581)	(581)
Accounting for collection charges adjustment in the period of occurrence		-	160 358	160 358
Reversal of legal fees accrual duplicated in 2023/24		-	(14 875)	(14 875)
Correction of WCA 2023/24 expenditure not accounted for		-	555 749	555 749
Correction of prior years expenditure not accrued for correctly		-	560 274	560 274
Correction of MIG service entry overstated in 2022/23		-	6 000	6 000
Correction of grants service entry overstated in 2023/24		-	372 023	372 023
Correction of operational expenditure incorrectly capitalised		-	72 212 127	72 212 127
Correction of 2023/24 general expenses misstated service entry		-	83 883	83 883
Correction of 2023/24 operational expenses misstated service entry		-	15 430	15 430
Correction of 2023/24 operating leases misstated service entry		-	(85 664)	(85 664)
Recognition of assets not previously recognised		-	(26 056 438)	(26 056 438)
Correction of insurance premium that was incorrectly accounted for		-	(6 459 530)	(6 459 530)
Accounting for 2023/24 adjustments in period of occurrence		-	(64 493 061)	(64 493 061)
Accounting for prior years adjustments in period of occurrence		-	(8 318 279)	(8 318 279)
Correction PPE and land owing to expropriation processes		-	7 585 945	7 585 945
Correction of customer's electricity account payment incorrectly recognised advertising revenue		-	213 579	213 579
Clearing of misallocation		-	(39 607)	(39 607)
Derecognition of retention not claimed for 10 years		-	(7 891 472)	(7 891 472)
Depreciation correction of projects capitalised in current year relating to prior years		-	4 611 471	4 611 474
Correction of rental properties consumer deposits		-	109 142	109 142
Correction of depreciation - review of useful live of assets still in use		-	(7 746)	(7 746)
Derecognition of land inventory that was transferred to beneficiaries		-	8 147 292	8 147 292
Reversal of all cut off journals processed during 2023/24 financial year		-	(3 935 526)	(3 935 526)
Accounting for impairment on miscellaneous debtors		-	6 343 040	6 343 040
Reversal of credit note posted incorrectly		-	339 529	339 529
Correction of Litigation provision		-	45 000	45 000
Correction of 2023/24 debt impairment : Msunduzi accounts		-	(3 903 117)	(3 903 117)
Safe City depreciation correction - review of incorrect useful lives		-	11 190	-
Restated		**-**	**(6 485 355 449)**	**(6 474 951 089)**

Figures in Rand	**Note(s)**	**Economic Entity**		**Controlling Entity**	
		2025	**2024 Restated***	**2025**	**2024 Restated***
Consumer debtors					
As previously reported		-	728 825 462	-	728 825 462
Accounting for collection charges adjustment in the period of occurrence		-	(160 358)	-	(160 358)
Accounting for VAT relating to cutoff system and manual adjustments relating to prior years		-	(9 203 913)	-	(9 203 913)
Accounting for 2023/24 adjustments in period of occurrence		-	75 437 631	-	75 437 631
Accounting for prior years adjustments in period of occurrence		-	12 838 042	-	12 838 042
Accounting for 2023/24 VAT adjustments in period of occurrence		-	(1 303 858)	-	(1 303 858)
Accounting for prior years VAT adjustments in period of occurrence		-	(777 520)	-	(777 520)
Correction of customer's electricity account payment incorrectly recognised advertising revenue		-	(213 579)	-	(213 579)
Clearing of misallocation		-	39 607	-	39 607
Reversal of all cut off journals processed during 2023/24 financial year		-	3 935 526	-	3 935 526
Correction of 2023/24 debt impairment : Msunduzi accounts		-	529 482	-	529 482
Restated		**-**	**809 946 522**	**-**	**809 946 522**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Statutory receivables					
As previously reported		-	277 804 751	-	277 804 751
Accounting for 2023/24 adjustments in period of occurrence		-	(41 390)	-	(41 390)
Accounting for prior years adjustments in period of occurrence		-	(2 169 133)	-	(2 169 133)
Correction of 2023/24 debt impairment : Msunduzi accounts		-	3 442 696	-	3 442 696
Restated		**-**	**279 036 924**	**-**	**279 036 924**
Property, plant and equipment					
As previously reported		-	7 257 403 948	-	7 250 531 075
Correction of misstated service entries		-	(948 833)	-	(948 833)
Correction of operational expenditure capitalised		-	(72 212 127)	-	(72 212 127)
Correction owing to expropriation processes		-	(6 077 812)	-	(6 077 812)
Correction assets not previously recognised		-	22 125 056	-	22 125 056
Correction of VAT		-	5 159	-	5 159
Correction of work in progress expenditure in period of occurrence		-	(17 545 605)	-	(17 545 605)
Correction ol inventory asset capitalised		-	(169 692)	-	(169 692)
Correction of asset capitalised in current year but registered with AMAFA in prior years		-	(4 935 181)	-	(4 935 181)
Depreciation correction of projects capitalised in current year relating to prior years		-	(4 611 474)	-	(4 611 474)
Correction of depreciation - review of useful live of assets still in use		-	7 701	-	7 701
Safe City depreciation correction - review of incorrect useful lives		-	(11 190)	-	-
Restated		**-**	**7 173 029 950**	**-**	**7 166 168 267**
Payables from exchange transactions					
As previously reported		-	(2 279 145 987)	-	(2 278 120 596)
Raising of employee related costs in prior year paid in 2024/25 but relate to 2023/24		-	(30 539 455)	-	(30 539 455)
Correction of accruals not accounted for accordingly		-	(18 822 120)	-	(18 822 120)
Correction of valuation appeal board expenditure accrued for in 2023/24 but for services rendered in 2024/25 financial year		-	98 663	-	98 663
Recognising of VAT omitted on a reversed journal		-	581	-	581
Reversal of legal fees accrual duplicated in 2023/24		-	20 125	-	20 125
Correction of prior years misstated service entries		-	906 017	-	906 017
Correction of incorrectly treated VAT on advance payments		-	(1 047)	-	(1 047)
Correction of work in progress expenditure in period of occurrence		-	17 545 605	-	17 545 605
Derecognition of retention not claimed for 10 years		-	7 891 472	-	7 891 472
Reversal of credit note posted incorrectly		-	(390 458)	-	(390 458)
Restated		**-**	**(2 302 436 604)**	**-**	**(2 301 411 213)**
VAT receivable					
As previously reported		-	488 088 688	-	488 561 056
Correction GEVDI conditional grant receipt incorrectly accounted for as revenue in 2023/24 financial year		-	4 605	-	4 605
Correction of prlor years invoices not accrued for		-	2 307 553	-	2 307 553
Correction of prior years service entries misstated		-	2 923	-	2 923
Reversal of legal fees accrual duplicated in 2023/24		-	(5 250)	-	(5 250)
Accounting for VAT relating to cutoff system and manual adjustments relating to prior years		-	(1 968 518)	-	(1 968 518)
Correction of incorrectly treated VAT on advance payments		-	1 047	-	1 047
Correction of prior years insurance premium that was incorrectly accounted for		-	(968 929)	-	(968 929)
Correction of returned funds for land acquisition		-	(35 227)	-	(35 227)
Correction of VAT		-	(5 160)	-	(5 160)
Reversal of credit note posted incorrectly		-	50 929	-	50 929
Correction of VAT provision		-	6 750	-	6 750
Correction of 2023/24 debt impairment : Msunduzi accounts		-	(69 063)	-	(69 063)
Restated		**-**	**487 410 348**	**-**	**487 882 716**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Unspent conditional grants and receipts					
As previously reported		-	(189 531 603)	-	(189 531 603)
Correction GEVDI conditional grant receipt incorrectly accounted for as revenue in 2023/24 financial year		-	(35 305)	-	(35 305)
Correction of misstated service entries		-	(378 308)	-	(378 308)
Correction of 2023/24 Library grant expense not accrued for		-	66 964	-	66 964
Correction of returned funds for land acquisition		-	35 224	-	35 224
Restated		**-**	**(189 843 028)**	**-**	**(189 843 028)**
Inventories					
As previously reported		-	498 280 564	-	498 280 564
Correction of disposal assets incorrectly capitalised from work in progress		-	(1 508 132)	-	(1 508 132)
Correction ol inventory asset capitalised		-	169 692	-	169 692
Reclassification of land registered as heritage sites to heritage assets in 2021/22		-	(180 000)	-	(180 000)
Derecognition of land inventory that was transferred to beneficiaries		-	(8 147 292)	-	(8 147 292)
Restated		**-**	**488 614 832**	**-**	**488 614 832**
Other debtors					
As previously reported		-	8 405 438	-	8 402 938
Correction of insurance premium that was incorrectly accounted for		-	7 428 460	-	7 428 460
Accounting for impairment on miscellaneous debtors		-	(6 343 040)	-	(6 343 040)
Restated		**-**	**9 490 858**	**-**	**9 488 358**
Intangible assets					
As previously reported		-	24 753 127	-	24 753 127
Correction of depreciation - review of useful live of assets still in use		-	43	-	43
Restated		**-**	**24 753 170**	**-**	**24 753 170**
Heritage assets					
As previously reported		-	323 519 929	-	323 519 929
Correction of asset capitalised in current year but registered with AMAFA in prior years		-	4 935 181	-	4 935 181
Reclassification of land registered as heritage sites to heritage asets in 2021/22		-	180 000	-	180 000
Take on of legal deposits not previously recognised		-	3 931 382	-	3 931 382
Restated		**-**	**332 566 492**	**-**	**332 566 492**
Provisions - current					
As previously reported		-	(6 108 374)	-	(6 108 374)
Correction of Litigation provision		-	(51 750)	-	(51 750)
Restated		**-**	**(6 160 124)**	**-**	**(6 160 124)**
Consumer deposits					
As previously reported		-	(152 248 286)	-	(152 248 286)
Correction of rental properties consumer deposits		-	(109 142)	-	(109 142)
Restated		**-**	**(152 357 428)**	**-**	**(152 357 428)**

Statement of Financial Performance

Economic entity - 2024

	Note	As previously reported	Correction of error	Restated
Deficit		(941 998 279)	372 242 621	(569 755 658)
Rendering of services		13 974 941	(244 279)	13 730 662
Service charges		3 674 227 298	437 281 050	4 111 508 348
Government grants & subsidies		1 252 467 979	(305 345)	1 252 162 634
Property rates		1 359 086 727	(41 391)	1 359 045 336
Other transfers		335 625	266 736	602 361
General expenses		(901 770 790)	(25 440 788)	(927 211 578)

	Note	As previously reported	Correction of error	Restated
Employee related costs		(1 655 268 732)	(26 629 918)	(1 681 898 650)
Operational costs		(169 268 350)	(5 493 158)	(174 761 508)
Remuneration of councillors		(57 142 150)	(1 480 142)	(58 622 292)
Operating leases		(35 879 432)	(219 031)	(36 098 463)
Debt impairment		(1 024 491 908)	(2 439 924)	(1 026 931 832)
Depreciation and amortisation		(359 795 813)	(11 189)	(359 807 002)
		1 154 477 116	**-**	**1 901 962 358**

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2025	2024 Restated*	2025	2024 Restated*
Deficit for the year					
As previously reported		-	(941 998 279)	-	(941 873 650)
Raising of employee related costs in prior year paid in 2024/25 but relate to 2023/24		-	(30 539 455)	-	(30 539 455)
Correction GEVDI conditional grant receipt incorrectly accounted for as revenue in 2023/24 financial year		-	(30 700)	-	(30 700)
Correction of general expenses incurred in 2023/24 and not accrued for		-	(14 528 777)	-	(14 528 777)
Correction of operating costs incurred in 2023/24 and not accrued for		-	(515 160)	-	(515 160)
Correction of operational lease expense incurred in 2023/24 and not accrued for		-	(287 653)	-	(287 653)
Correction of valuation appeal board expenditure accrued for in 2023/24 but for services rendered in 2024/25 financial year		-	98 663	-	98 663
Reversal of legal fees accrual duplicated in 2023/24		-	14 875	-	14 875
Correction of WCA 2023/24 expenditure not accounted for.		-	(555 749)	-	(555 749)
Correction of MIG service entry overstated in 2023/24		-	(372 023)	-	(372 023)
Correction of general expense service entry misstated in 2023/24		-	(110 412)	-	(110 412)
Correction of operating costs service entry misstated in 2023/24		-	(15 430)	-	(15 430)
Correction of 2023/24 operating lease misstated service entry		-	85 664	-	85 664
Correction of 2023/24 opex incorrectly capitalised		-	(10 835 077)	-	(10 835 077)
Correction of 2023/24 insurance premium that was incorrectly accounted for		-	(4 962 853)	-	(4 962 853)
Accounting for 2023/24 adjustments in period of occurrence		-	64 493 060	-	64 493 060
Correction of customer's electricity account payment incorrectly recognised advertising revenue		-	(213 579)	-	(213 579)
Take on of 2023/24 legal deposits not previously recognised		-	266 736	-	266 736
Reversal of all cut off journals processed during 2023/24 financial year		-	372 746 604	-	372 746 604
Accounting for impairment on miscellaneous debtors		-	(6 343 041)	-	(6 343 041)
Correction of Litigation provision		-	(45 000)	-	(45 000)
Correction of 2023/24 debt impairment : Msunduzi accounts		-	3 903 117	-	3 903 117
Safe City depreciation correction - review of incorrect useful lives		-	(11 189)	-	-
Restated		**-**	**(569 755 658)**	**-**	**(569 619 840)**
Service charges					
As previously reported		-	3 674 227 298	-	3 674 490 389
Accounting for 2023/24 adjustments in period of occurrence		-	64 534 451	-	64 534 451
Reversal of all cut off journals processed during 2023/24 financial year		-	372 746 599	-	372 746 599
Restated		**-**	**4 111 508 348**	**-**	**4 111 771 439**
Property rates					
As previously reported		-	1 359 086 727	-	1 359 086 727
Accounting for 2023/24 adjustments in period of occurrence		-	(41 391)	-	(41 391)
Restated		**-**	**1 359 045 336**	**-**	**1 359 045 336**
Rendering of services					
As previously reported		-	13 974 941	-	13 974 941
Correction GEVDI conditional grant receipt incorrectly accounted for as revenue in 2023/24 financial year		-	(30 700)	-	(30 700)
Correction of customer's electricity account payment incorrectly recognised advertising revenue		-	(213 579)	-	(213 579)
Restated		**-**	**13 730 662**	**-**	**13 730 662**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Government grants & subsidies					
As previously reported		-	1 252 467 979	-	1 252 467 979
Correction of grants service entry misstated in 2023/24		-	(372 308)	-	(372 308)
Correction of 2023/24 Library grant expense not accrued for		-	66 963	-	66 963
Restated		**-**	**1 252 162 634**	**-**	**1 252 162 634**
Other transfers					
As previously reported		-	335 625	-	335 625
Take on of 2023/24 legal deposits not previously recognised		-	266 736	-	266 736
Restated		**-**	**602 361**	**-**	**602 361**
Operational costs					
As previously reported		-	(169 268 350)	-	(168 154 293)
Correction of expenses incurred in 2023/24 and not accrued for		-	(515 160)	-	(515 160)
Correction of 2023/24 service entry misstated		-	(15 146)	-	(15 146)
Correction of 2023/24 insurance premium that was incorrectly accounted for		-	(4 962 852)	-	(4 962 852)
Restated		**-**	**(174 761 508)**	**-**	**(173 647 451)**
General expenses					
As previously reported		-	(901 770 790)	-	(901 607 159)
Correction of general expenses incurred in 2023/24 and not accrued for		-	(14 595 740)	-	(14 595 740)
Correction of valuation appeal board expenditure accrued for in 2023/24 but for services rendered in 2024/25 financial year		-	98 663	-	98 663
Reversal of legal fees accrual duplicated in 2023/24		-	14 875	-	14 875
Correction of 2023/24 misstated service entry		-	(110 412)	-	(110 412)
Correction of 2023/24 opex incorrectly capitalised		-	(10 835 077)	-	(10 835 077)
Correction of misalloaction		-	31 903	-	31 903
Correction of litigation provision		-	(45 000)	-	(45 000)
Restated		**-**	**(927 211 578)**	**-**	**(927 047 947)**
Employee related costs					
As previously reported		-	(1 655 268 732)	-	(1 643 328 321)
Raising of employee related costs in prior year paid in 2024/25 but relate to 2023/24		-	(29 059 309)	-	(29 059 309)
Correction of WCA 2023/24 expenditure not accounted for		-	(555 748)	-	(555 748)
Correction of misalloaction		-	(14 861)	-	(14 861)
Restated		**-**	**(1 684 898 650)**	**-**	**(1 672 958 239)**
Remuneration of councillors					
As previously reported		-	(57 142 150)	-	(57 142 150)
Raising of employee related costs in prior year paid in 2024/25 but relate to 2023/24		-	(1 480 142)	-	(1 480 142)
Restated		**-**	**(58 622 292)**	**-**	**(58 622 292)**
Debt impairment					
As previously reported		-	(1 024 491 908)	-	(1 024 491 908)
Accounting for impairment on miscellaneous debtors		-	(6 343 041)	-	(6 343 041)
Correction of 2023/24 debt impairment : Msunduzi accounts		-	3 903 117	-	3 903 117
Restated		**-**	**(1 026 931 832)**	**-**	**(1 026 931 832)**
Depreciation and amortisation					
As previously reported		-	(359 795 813)	-	(359 059 558)
Safe City depreciation correction - review of incorrect useful lives		-	(11 189)	-	-
Restated		**-**	**(359 807 002)**	**-**	**(359 059 558)**

Figures in Rand	Note(s)	Economic Entity 2025	Economic Entity 2024 Restated*	Controlling Entity 2025	Controlling Entity 2024 Restated*
Operating leases					
As previously reported		-	(35 879 432)	-	(35 868 334)
Correction of 2023/24 operating lease misstated service entry		-	85 664	-	85 664
Correction of operational lease expense incurred in 2023/24 and not accrued for		-	(287 652)	-	(287 652)
Correction of misalloaction		-	(17 043)	-	(17 043)
Restated		**-**	**(36 098 463)**	**-**	**(36 087 365)**

Cash flow statement

Economic entity - 2024

	Note	As previously reported	Correction of error	Reclassification	Restated
Cash flow from operating activities					
Sale of goods and services		3 888 343 918	(3 239 873)	-	3 885 104 045
Government grants		1 263 177 628	79	-	1 263 177 707
Employee costs		(1 616 627 309)	(52 794 344)	-	(1 669 421 653)
Suppliers		(4 321 722 995)	(46 937 809)	-	(4 368 660 804)
		(786 828 758)	**(102 971 947)**	**-**	**(889 800 705)**
Cash flow from investing activities					
Purchase of property, plant and equipment		(666 438 315)	102 800 925	-	(563 637 390)
Purchase of intangible assets		(6 092 439)	171 023	-	(5 921 416)
		(672 530 754)	**102 971 948**	**-**	**(569 558 806)**

The cashflow statement was recalculated due to corrections in the Statement of Financial Performance and Position.

74. Prior period error - disclosures

Presented below are those items contained in the disclosure notes that have been affected by prior-year adjustments:

The correction of the error(s) results in adjustments as follows:

Commitments

Intangible assets

As previously disclosed	-	-	-	-
Correction of error	-	34 978 714	-	34 978 714
Restated	**-**	**34 978 714**	**-**	**34 978 714**

Due to review of the commitments register

Other properties

As previously disclosed	-	68 256 748	-	68 256 748
Correction of error	-	(34 978 714)	-	(34 978 714)
Restated	**-**	**33 278 034**	**-**	**33 278 034**

Fruitless and Wasteful expenditure

Opening balance as previously reported	-	182 566 929	-	182 553 213
Correction of 2022/23 electricity bulk purchases interest incorrectly disclosed in 2023/24	-	7 715 505	-	7 715 505
Correction of 2022/23 electricity bulk purchases interest incorrectly disclosed in 2023/24	-	46 134 338	-	46 134 338
Restated opening balance	**-**	**236 416 772**	**-**	**236 403 056**

Contingent assets and liabilities

	Contingent liabilities	Contingent assets
As previously disclosed	200 791 360	242 231 063
Adjustments	(24 547 490)	(1 144 100)
Restated	**176 243 870**	**241 086 963**

The Contingent assets have been restated due to the review and correction of cases.

Risk management

Other financial liabilities	Between 2 and 5 years	Over 5 years
As previously disclosed	93 026 243	-
Adjustment	(58 153 183)	58 153 183
Restated	**34 873 060**	**58 153 183**

Correct made to disclose other financial liabilities maturity analysis correctly.

Electricity losses	Cost per kWh in rands	Electricity losses in rand value
As previously disclosed	2,29621	695 279 802
Adjustment	(0,64177)	(194 324 715)
Restated	**1,65 500**	**955 087**

Correction due to the recalculation of the cost per kWh

Figures in Rand	**Note(s)**	**Economic Entity**		**Controlling Entity**	
		2025	**2024 Restated***	**2025**	**2024 Restated***

75. Comparative figures

Certain comparative figures have been restated

76. Change in accounting estimate

Property, plant and equipment

GRAP 17: Property, plant and equipment requires that the review of the remaining useful life of an item of property, plant and equipment be conducted at least at each reporting period. The municipality performed this review as at 30 June 2025 and the following results were achieved:

Based on the condition assessment and utilisation of assets ascertained during the physical verification exercise, the remaining useful lives of assets were reviewed.

The impact of the adjustment is that depreciation charges on property, plant and equipment decreased by R71 888 048 (2024:R6 890 052).

It is impractical to determine the amount of the effect in future periods.

Depreciation before the review of useful life	-	(395 502 072)	-	(352 169 506)
Depreciation after the review of useful life	-	323 614 024	-	359 059 558
Change in estimate	**-**	**(71 888 048)**	**-**	**6 890 052**

Landfill rehabilitation provision

Landfill rehabilitation provision is created to ensure that the municipality will be able to restore the landfill site to its original condition at the end of its life. The provision represents management's best estimate of the municipality's liability with regards to aforementioned restoration costs. The effect of the current year's revision was a decrease of R452 872 due to a change in the discount factor and effect of re-measurements.

Employment benefit obligation

The municipality provides post-employment medical benefits to certain staff members. The provision represents management's best estimate of the municipality's liability with regards to aforementioned post-employment medical benefits. The effect of the current year's revision is an increase of R69 163 000 to R603 466 001, owing to the net effect of the remeasurements, current service and interest costs for the reporting period ended 30 June 2025.

Long service awards

In terms of the SALGA conditions of service collective agreement, employees qualify for long service leave upon completion of specified periods in the agreement. The provision was created to comply with the agreement. The effect of the current year's revision is a increase by R7 934 000 to R92 871 000, attributed to the net effect of the remeasurements, benefits vesting, current service, past service and interest costs for the reporting period ended 30 June 2025.

77. Risk management

Financial risk management

The economic entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The economic entity's risk to liquidity is a result of the funds available to cover future commitments. The economic entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The municipality is exposed to the following liquidity risks:

Other financial liabilities

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 June 2025					
Borrowings	35 059 081	70 118 161	105 177 242	140 236 322	350 590 806
At 30 June 2024					
Borrowings	50 311 361	23 248 707	34 873 060	58 153 183	166 586 311

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the municipality.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise mainly water, sanitation, refuse, rates, property rental, electricity and other service chargers, dispersed across different industries and geographical areas. Management evaluated credit risk relating to customers financial conditions on an ongoing basis, and have been presented in these financial statements net of a provision for impairment. In the case of debtors whose accounts become in arrears, it is endeavored to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council`s Credit Control and Debt Collection Policy. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored. Sales to consumers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

The carrying amount of financial assets recorded in the financial statements that represent the municipality`s maximum exposure to credit risk obtained details - Refer to note 78 - Financial instruments disclosure.

As at the end of the reporting period, no collateral was being held as a means of mitigating the risk of financial loss from default except for consumer deposits.

Credit quality

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings. Although credit quality can be assessed, the Municipality did not apply any methods to evaluate the credit quality.

The credit quality of receivables from exchange transactions are neither past due nor impaired except for land sale debtors, insurance claims and IDT.

The analysis of the age of receivables that are past due but not impaired for the Municipality (Refer to note 7 - consumer debtors) for the analysis and details.

Market risk

Risk from agricultural assets

The municipality is exposed to financial risks arising from changes in timber prices. The economic entity does not anticipate that the timber prices will decline significantly in the foreseeable future. The economic entity has not entered into derivative contracts to manage the risk of a decline in sale of timber. The municipality reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Interest rate risk

As the economic entity has no significant interest-bearing assets, the economic entity's income and operating cash flows are substantially independent of changes in market interest rates.

The Municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the City to fair value interest rate risk. The Municipality strives to maintain approximately 100% of its borrowings in fixed rate instruments.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk.

78. Financial instruments disclosure

Categories of financial instruments

Financial assets

At amortised cost				
Other financial assets	24 093 935	23 584 673	24 093 935	23 584 673
Other debtors	10 540 275	9 490 858	10 537 775	9 488 358
Consumer debtors	913 500 721	809 946 522	913 500 721	809 946 522
Cash and cash equivalents	746 661 229	495 992 735	744 557 180	490 954 799
	1 694 796 160	**1 339 014 788**	**1 692 689 611**	**1 333 974 352**

Financial liabilities

At amortised cost				
Payables from exchange transactions	4 029 888 969	3 201 549 160	4 033 461 890	3 200 523 769
Consumer deposits	167 101 606	152 357 428	167 101 606	152 357 428
Other financial liabilities	350 590 805	166 586 311	350 590 805	166 586 311
	4 547 581 380	**3 520 492 899**	**4 551 154 301**	**3 519 467 508**

Other information

Receivables/payables from non contractual/compulsory arrangements have been removed or excluded from financial instruments disclosure, i.e Property rates debtors, traffic fines debtors, transfers payable and unspent conditional grants. Statutory receivables/Payables are not financial instruments, as they arise not as a result of a contract, entered into by willing parties to the arrangement but rather statutory or legislative arrangements.

79. Going concern

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

In assessing the going concern, management identified indicators casting doubt on the municipality's ability to continue operating as a going concern. These indicators are summarised below:

- Adverse liquidity ratios.
- Below norm cash cost coverage ratio.
- The outstanding gross debtors balance has increased significantly, and the majority is outstanding for over 365 days.
- The dwindling of reserves over the recent years.
- Deteriorating creditors' days.
- The increase in net debtors' balances
- Deficits in recent years

The following measures are being implemented by management in response to the going concern risk indicators:

1. The municipality has monitored the implementation of the financial recovery plan that was developed in 2018. Management has voluntarily requested National Treasury to assist with the development of the revised financial recovery plan that is linked to the current challenges of the municipality after COVID 19. The implementation of the revised recovery plan commenced in the 2022/23 financial year.
2. There is a revenue enhancement committee that meets on a weekly basis to monitor the implementation of the revenue enhancement plan and the identification of additional revenue streams.
   New revenue streams that have been identified so far as follows:
   - Water and Electricity tampering fees: Surcharges to be raised for reinstatement of services.
   - Training of Peace Officers: The officers will be responsible for enforcing the By Laws around water and electricity tampering.
   - Flow control washers for Indigents
   - Airport: Review of lease agreements for hangers and no longer outsourcing the management of parking facilities.
   - Forestry: Timber has been valued and is ready to be harvested, currently at SCM process.
   - Business licensing:Increasing number of stalls and monitoring of licensed Informal traders and monthly billing thereof.
   - Billboards: Addressing the issue of Billboard that do not have SLA`s in place.
   - Rehabilitation levy: Introduction of levy to cover large future cost in rehabilitating the Landfill Site.
   - Animal Hunting: Introduction of animal hunting at the Bisley Nature Reserve
   - On-site Camping: Introduction of tourist on-site camping at Bisley Nature Reserve
   - Swimming Pools: Implementation of ticketing system
   - Alexandra Park: Revamping of the park to attract more users.
   - Athletics Stadium: Leasing out of office spaces.
3. The dispute resolution committee was formed to speed up the process of dealing with consumer appeals.
4. The following strategies are currently being implemented to recover the outstanding debt:
   - Electricity disconnections conducted daily.
   - Water restrictions conducted daily.

- Consolidation of accounts for customers with multiple accounts.
- Consolidation of accounts where rates and services were billed on separate accounts.
- Improved turnaround time for responding to customer queries.
- Implementation of the customer dispute resolution process.
- Review of the organogram to include the functions that were previously not catered for on the structure.
- Processing name changes for deceased debtors with surviving spouses.
- Increasing capacity at validations section.
- Audit of bulk meters to ensure accuracy and completeness of billing.
- Implementation of debt relief programme for distressed debtors.
- Review of the credit control and by laws to allow debtors to enter into affordable payment arrangements.
- Emailing of statements to customers.
- Media campaigns for encouraging the debtors to pay.
- Legal processes instituted against arrear debtors.
- Vetting of indigent debtors.
- Improved turnaround time issuing rates clearance certificates and processing name changes for changes in property own
- Addressing the issue of unbilled accounts and other billing exception reports prior to the next billing cycle.
- The debt collectors were appointed to recover long outstanding debtors.

Operation Qoqimali
The Operation Qoqimali an operation approved by the Council started in September of 2022. This is a strategy which is engaged with the vigorous collection of revenue from non-paying customers, this involves municipal officials i.e., Security Services and the Technical Sections accompanied by Finance management going out daily making disconnections for electricity and restrictions for water for customers who are arrears. To date this drive has resulted in increased collections from consumers. The Operation Qoqimali is ongoing.

Financial Recovery Plan(FRP)
Given the decline of the financial status, the nature of the recurring financial problems and no noticeable progress made since the implementation of the current FRP the municipality then requested National Treasury Municipal Financial Recovery Service to assist in revising the discretionary financial recovery plan for the municipality.

The revised FRP will be used as an instrument to guide the municipality in addressing the financial crisis and to ensure that the municipality regains its financial health within the shortest timeframe while ensuring that all issues which adversely affect the financial health of the municipality are comprehensively addressed. The FRP adopts a strategic, focused approach which is time-bound yet comprehensive enough to ensure that the underlying causes of the crisis are adequately addressed. To achieve this objective, the draft financial recovery plan presents a phased approach to recovery, differentiating between issues to be addressed in the short, medium and long term.

The FRP is divided into three distinct but interdependent phases. These include:
- Rescue Phase (Phase 1) which focuses primarily on cash and restoring the cash position of the municipality.
- Stabilization Phase (Phase 2) which expands on the financial indicators to be monitored and emphasizes key governance and institutional issues which must simultaneously be addressed.
- Sustainability Phase (Phase 3) to ensure that indicators are developed that will give effect to the long-term financial sustainability of the municipality.

Notwithstanding, the negative indicators, the municipality continues to adopt the going concern assumption as it is management's view that the municipality will continue to operate in its present form provided that the financial recovery plan, the debt recovery plan, revenue enhancement and cost curtailment strategies are successful. A successful relationship between the municipality and consumers, which entails supportive consumer behaviour is of paramount importance.

80. Segment information

General information

Identification of segments
The municipality is organised and reports to management on the basis of nine major functional areas: Electricity, Water, Rates, Sanitation, Refuse, Airport, Market, Forestry and Support services. The segments were organised around the type of goods and services delivered. Management uses these same segments for determining strategic objectives. Supporting services segment was aggregated for reporting purposes.

The identification of these segments is consistent with the functional classification of local government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments
Support services segment was aggregated as a practical limit has been reached beyond which segment information becomes too detailed. Management is of the view that such additional detailed segments are not useful and relevant.

Types of goods and/or services by segment
These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Electricity	Provision of electricity
Water	Provision of water
Rates	Property tax
Sanitation	Provision of solid and water waste services
Refuse	Refuse removal services

Reportable segment	Goods and/or services
Airport	Aviation services
Market	Administration and handling fees
Forestry	Timber
Support services	Various goods and services

Information about geographical areas
The economic entity's operations are in the KwaZulu Natal Province.

Separate financial and other relevant information on geographical areas in which the municipality operates is not available. The cost to develop the necessary information would be excessive.

Segment surplus or deficit, assets and liabilities

2025

Figures in Rand	Electricity	Water	Rates	Sanitation	Refuse	Airport	Market	Forestry	Support Services	Total
Revenue										
Revenue from exchange transactions	3 423 643 097	1 116 522 255	1 487 605	255 591 362	149 399 419	17 371 467	21 743 974	-	40 229 581	5 025 988 760
Revenue from non-exchange transactions	(4 634 582)	421 375 062	1 899 112 681	155 557 185	29 265 763	648 158	-	-	169 423 162	2 670 747 430
Interest consumer debtors and receivables	52 916 875	283 210 992	1 248 785	39 555 579	21 679 620	-	-	-	27 655 345	426 267 195
Interest - bank, call and investment accounts	-	-	-	-	-	-	-	-	232 549	232 549
Total segment revenue	**3 471 925 390**	**1 821 108 310**	**1 901 849 071**	**450 704 126**	**200 344 801**	**18 019 625**	**21 743 974**	**-**	**237 540 637**	**8 123 235 936**
Unallocated revenue/non-segment										637 489 653
Elimination	(288 679)								(16 432 381)	(16 721 060)
Total entity's revenue										**8 744 004 529**
Expenditure and gains(losses)										
Bulk purchases	(3 061 987 658)	-	-	-	-	-	-	-	-	(3 061 987 658)
Debt impairment	(183 999 054)	(642 504 231)	(264 908 636)	(83 227 961)	(48 738 396)	-	-	-	(8 499 731)	(1 231 878 009)
Depreciation and amortisation	(45 870 608)	(39 712 512)	19 574 825	(27 072 101)	(4 402 390)	(3 842 977)	(3 873 349)	(105 198)	(42 885 807)	(148 190 116)
Employee related costs	(148 432 126)	(128 586 594)	(41 349 729)	(9 057 163)	(109 865 856)	(184 545)	(19 922 311)	(105 541)	(474 938 653)	(932 442 518)
Finance costs	(98 475 741)	(12 770 344)	-	(398 595)	(99 922)	-	-	-	-	(111 744 602)
Other expenses	(148 679 474)	(1 053 232 654)	(39 817 873)	(330 087 127)	(39 681 579)	(14 751 175)	(39 744 433)	(161 260)	(168 657 024)	(1 834 812 599)
Actuarial gains/losses	-	(3 732 928)	-	-	-	-	-	-	(221 353)	(3 954 281)
Excess in provision liability	-	-	-	-	6 506 950	-	-	-	-	6 506 950
Fair value adjustments on investment property	-	-	-	-	-	-	-	-	10 536 000	10 536 000
Gains/(losses) on agricultural assets	-	-	-	-	-	-	-	22 930 672	-	22 930 672
Gain/(loss) on disposal of assets	3 117	(82)	-	-	-	-	(9 830 672)	1 803 421	(8 027 213)	
Impairment loss	(1 272 211)	1 653 114	(45)	(2 456)	-	-	(8 776)	-	(5 945 066)	(5 575 440)
Inventory losses	-	(76 855)	-	-	-	-	-	-	-	(76 855)
Total segment expenditure and gains/(losses)	**(3 688 716 868)**	**(1 878 962 888)**	**(326 501 540)**	**(449 845 403)**	**(196 281 193)**	**(18 778 697)**	**(63 548 869)**	**12 728 001**	**(688 808 212)**	**(7 298 715 669)**
Total segmental surplus/(deficit)	**(216 791 478)**	**(57 854 578)**	**1 575 347**	**531 858 723**	**4 063 608**	**(759 071)**	**(41 804 895)**	**12 728 001**	**(451 267 575)**	**1 445 288 859**
Unallocated expenditure/non segment										(1 545 039 955)
Unallocated gains/(losses) / non segment										(36 715 994)
Elimination										16 721 060
Surplus (deficit) for the period as per Statement of Financial Performance										**(119 746 029)**

2025

Figures in Rand	Electricity	Water	Rates	Sanitation	Refuse	Airport	Market	Forestry	Support Services	Total
Assets										
Segment assets	8 942 487 749	3 807 926 792	3 356 216 813	2 223 312 717	1 619 916 865	124 826 151	112 025 903	92 009 736	7 049 266 559	27 327 989 286
Unallocated assets/non segment										(15 201 769 596)
Elimination									(4 724 310)	(4 724 310)
Total assets as per Statement of Financial Position										**12 121 495 380**
Additions to non current assets										
Segment additions	117 184 849	66 692 653	-	77 495 800	28 307 059	148 192	2 454 172	22 930 672	111 986 364	427 199 759
Unallocated additions/non segment										390 284 619
Total additions										**817 484 378**
Liabilities										
Segment liabilities	21 725 622 795	2 448 167 969	914 053 878	2 657 464 412	511 732 186	123 476 800	815 445 140	41 921 032	6 092 701 251	35 330 585 463
Unallocated liabilities /non segment										(29 894 103 707)
Elimination									(4 724 310)	(4 724 310)
Total liabilities as per Statement of Financial Position										**5 431 757 446**

Segment surplus or deficit, assets and liabilities

2024

Figures in Rand	Electricity	Water	Rates	Sanitation	Refuse	Airport	Market	Forestry	Support Services	Total
Revenue										
Revenue from exchange transactions	2 932 020 369	852 791 055	2 224 878	208 386 857	120 687 584	13 292 297	22 985 291	-	53 193 756	4 205 582 086
Revenue from non-exchange transactions	13 761 034	337 355 804	1 534 265 011	96 775 488	27 313 103	3 201 175	-	-	172 229 643	2 184 901 258
Interest consumer debtors and receivables	46 348 121	221 028 828	453 983	30 752 982	17 129 038	-	-	-	10 241 339	325 954 291
Interest - bank, call and investment accounts	-	-	-	-	-	-	-	-	230 524	230 524
Total segment revenue	**2 992 129 524**	**1 411 175 686**	**1 536 943 873**	**335 915 327**	**165 129 725**	**16 493 472**	**22 985 291**	**-**	**235 895 262**	**6 716 668 159**
Unallocated revenue/non-segment										660 604 447
Elimination	(263 091)								(14 026 746)	(14 289 837)
Total entity's revenue										**7 362 982 769**
Expenditure and gains(losses)										
Bulk purchases	(2 714 396 462)	-	-	-	-	-	-	-	-	(2 714 396 462)
Debt impairment	(158 353 770)	(523 275 565)	(214 744 682)	(73 565 914)	(35 511 472)	-	-	-	(21 480 430)	(1 026 931 832)
Depreciation and amortisation	(43 310 758)	(41 526 366)	(77 825)	(22 901 250)	(3 908 875)	(7 046 529)	(5 084 694)	(90 120)	(42 731 215)	(166 677 632)
Employee related costs	(142 578 123)	(129 135 544)	(40 163 775)	(8 565 476)	(110 367 069)	(2 485 153)	(15 460 492)	(172 528)	(463 465 576)	(912 393 736)
Finance costs	(64 730 219)	(8 099 195)	-	(1 551 551)	(388 950)	-	-	-	-	(74 769 915)
Other expenses	(161 240 835)	(730 783 974)	(34 318 373)	(282 698 187)	(44 096 192)	(15 701 329)	(14 158 568)	(826 330)	(187 179 896)	(1 471 003 684)
Actuarial gains/losses	-	2 032 109	-	-	-	-	-	-	107 399	2 139 508
Excess in provision liability	-	-	-	-	29 430 504	-	-	-	-	29 430 504
Fair value adjustments on investment property	-	-	-	-	-	-	-	-	196 900	196 900
Gains/(losses) on agricultural assets	-	-	-	-	-	-	-	11 198 051	-	11 198 051
Gain/(loss) on disposal of assets	(575 705)	(96 688)	(16 769)	(60 719)	(15 958)	(141 166)	(102 320)	(4 622 289)	(6 792 143)	(12 423 756)
Impairment loss	107 491	(317 575)	-	-	(354)	(82)	-	-	103 256	(107 263)
Inventory losses	-	465 659	-	-	-	-	-	-	-	465 659
Total segment expenditure and gains/(losses)	**(3 285 078 382)**	**(1 430 737 139)**	**(289 321 423)**	**(389 343 095)**	**(164 858 366)**	**(25 374 259)**	**(34 806 074)**	**5 486 784**	**(721 241 705)**	**(6 335 273 659)**
Total segmental surplus/(deficit)	**(292 948 859)**	**(19 561 452)**	**1 247 622 449**	**(53 427 769)**	**271 359**	**(8 880 787)**	**(11 820 783)**	**5 486 784**	**(485 346 443)**	**1 027 709 110**
Unallocated expenditure/non segment										(1 619 361 734)
Unallocated gains/(losses) / non segment										7 607 129
Elimination									14 289 837	14 289 837
Surplus (deficit) for the period as per Statement of Financial Performance										**(569 755 658)**

2024

Figures in Rand	Electricity	Water	Rates	Sanitation	Refuse	Airport	Market	Forestry	Support Services	Total
Assets										
Segment assets	8 398 817 024	3 504 401 447	3 328 548 958	2 048 160 839	1 587 149 830	106 713 961	108 664 290	79 002 877	6 961 250 805	26 122 710 031
Unallocated assets/non segment										(14 992 657 393)
Reclassification to liabilities										-
Total assets as per Statement of Financial Position										**11 130 052 637**
Additions to non current assets										
Segment additions	128 547 189	69 647 158	97 500	57 020 111	27 681 498	2 653 708	316 383	320 000	114 549 938	400 833 486
Unallocated additions/non segment										205 731 154
Total additions										**606 564 640**
Liabilities										
Segment liabilities	16 582 906 211	2 112 045 317	40 410 281	2 234 515 372	428 254 078	122 713 284	789 514 673	41 746 302	3 132 999 513	25 485 105 032
Unallocated liabilities /non segment										(21 065 933 315)
Reclassification from assets										-
Total liabilities as per Statement of Financial Position										**4 419 171 717**

81. Contingencies

The municipality is defending various litigation and claim cases against it.

Contingent liabilities

Should the litigation and claims against the municipality be successful the total estimated liability of all cases is approximately R197 568 957 (2024 : R176 243 870)

Contingent assets

The Municipality has instituted various claims Should the claims made by the municipality be successful, the total estimated cash inflow of these cases in approximately R240 577 633 (2024 : R241 086 963)

CONTINGENT LIABILITIES AS AT JUNE 2025 (Figures in Rand)											
	MATTER ID	DESCRIPTION	INSTRUCTING OFFICIAL	ATTORNEY/ADVOCATE	SUMMONS DATE	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	AMOUNT	24/25	23/24 RESTATED
1	Nzaba / Msunduzi Municipality Insurance Matter	Delictual Claim: The Plaintiff is suing the Municipality for damages arising from a motor vehicle collision involving a municipal vehicle	Farzanah Ebrahim	Internal	2008	Set down for trial was part-heard. Remove as per exco resolution dd 4 SEPT 2025	R73 500.00 Plus interest at 15.5 per cent per annum.	Not Probable	R73 500	0,00	737 223,36
2	Nkosinathi Goodhope Zuma/ Msunduzi Municipality (Case No: 22609/08)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of an unlawful arrest and detention by Municipal Traffic Officers	Farzanah Ebrahim	Internal	2008	The matter is defended but remains dormant. REMOVED AS PER EXCO DD4 SEPT 2025	R 100 000.00 plus interest at 15.5% per annum from 14 days of date of judgement	Not Probable	100 000,00	0,00	100 000,00
3	Minnesh Singh/ Msunduzi Municipality (Case No: 6274/10)	Delictual Claim: Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2010	Defence has closed its case. Magistrate requested written heads of argument based on the record of the proceedings. REMOVED AS PER EXCO RESOLUTION DD 4 SEPTEMBER 2025	R69 224 .62 plus interest at 15.5% p.a from 29 March 2010	Not Probable	R69 224.62	0,00	520 485,17
4	Aubrey Bhekithemba Mavundla/ Msunduzi Municipality (Case No: 18705/10)	Delictual Claim: The Plaintiff is suing the Municipality for damages arising as a result of an unlawful arrest and detention by Municipal Traffic Officers	Farzanah Ebrahim	Internal	2010	Matter is defended but remains dormant. EXCO RESOLUTION DD 4 SEPTEMBER 2025	R 100 000.00 plus interest at 15.5% per annum from 31 March 2010	Not Probable	100 000,00	0,00	751 878,70
5	M. Naidoo/ Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of him falling on an uneven pavement in the vicinity of Delhi Road	Farzanah Ebrahim	Internal	2011	Defendant's plea has been filed. Matter ongoing.EXCO RESOLUTION DD 4 SEPTEMBER 2025	R 370 000.00 plus interest at 15.5 per cent per annum.	Not Probable	R 370 000.00	0,00	2 408 615,73
6	Simphiwe Jonathan Zama/ Msunduzi Municipality (Case No: 19039/12)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor veichle collision involving a Municipal vehicle	Farzanah Ebrahim	Internal	2012	Pleadings have closed. Matter remains dormant. EXCO RESOLUTION DD 4 SEPTEMBER 2025	R14 846.22 plus interest at 15.5% per annum from 4 December 2012	Not Probable	R 14 846.22	0,00	83 675,77
7	B Mkhonza/ Msunduzi Municipality	Delictual claim: Plaintiff is suing the Municipality for damages suffered as a result of falling on an uneven pavement	Farzanah Ebrahim	Internal	2012	The matter is ongoing. EXCO RESOLUTION DD 4 SEPTEMBER 2025	R 293 000.00 plus interest at 15.5 per cent per annum.	Not Probable	R 293 000.00	0,00	1 651 396,77

CONTINGENT LIABILITIES AS AT JUNE 2025 (Figures in Rand)											
	MATTER ID	**DESCRIPTION**	**IN-STRUCT-ING OFFICIAL**	**ATTOR-NEY/AD-VOCATE**	**SUMMONS DATE**	**CURRENT STATUS/ PROGRESS**	**QUANTUM**	**PROBABILITY OF OUTFLOW**	**AMOUNT**	**24/25**	**23/24 RESTATED**
8	Ramharak RJ/ Msunduzi Municipality (Case No: 891/12)	Delictual Claim: The Plaintiff is a Municipal employee. He is suing the Municipality as he was allegedly assaulted by a fellow employee within the premises of the Municipality whilst they were in the course and scope of their employment	Farzanah Ebrahim	Internal	2012	Matter dormant. EXCO RESOLUTION DD 4 SEPTEMBER 2025	R 300 000.00 plus interest at 15.5% per annum from 13 April 2010	Not Probable	R 300 000.00	0,00	2 255 636,09
9	Smodern Bethwell Makhaye/ Msunduzi Municipality (Case No: 2526/13)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision involving a municipal vehicle	Farzanah Ebrahim	Internal	2013	Matter is defended but remains dormant.	R8 688.46 plus interest at 15.5% per annum from 7 March 2013	Not Probable	R 8 688.46	0,00	42 397,93
10	Ismail Hansa v Msunduzi Municipality (Case No: 15571/15)	Delictual Claim: Plaintiff is suing the Municiaplity for damages suffered as a result of him falling into an uncovered manhole in the vicinity of Mountain rise	Farzanah Ebrahim	Internal	2013	Plaintiff has not moved the matter further.	R 124 734.50 plus interest at 9% per annum from 16 November 2015	Not Probable	R 124 734.50	295 291,92	270 910,02
11	Edward Glen Alexander/ Msunduzi Municipality (Case No: 11817/14)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of collision with a pothole	Farzanah Ebrahim	Mdledle Inc.	2014	Matter is dormant. EXCO RESOLUTION DD 4 SEPTEMBER 2025	R 83 499.16 plus interest at 15.5% p.a from 10 july 2013	Not Probable	R 83 499.16	0,00	407 459,02
12	Ernest Michael Terrence Kapp/ Msunduzi Municipality (Case No: 7004/14)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered to his motor vehicle as a result of an open trench in a public road	Farzanah Ebrahim	Internal	2014	Pleadings have closed. Matter dormant. EXCO RESOLUTION DD 4 SEPTEMBER 2025	R13 154.75 plus interest at 15.5% per annum from date of judgement	Not Probable	R 13 154.75	0,00	13 154,75
13	Musawenkosi Isaac Dlamini/ Msunduzi Municipality (Case No: 17355/14)	Delictual claim: Plaintiff is suing the Municipality for damages suffered as a result of a collision with a tree that had fallen across the road	Farzanah Ebrahim	Internal	2014	Pleadings closed. EXCO RESOLUTION DD 4 SEPTEMBER 2025	R78 616.27 plus interest at 9% per annum from 13 November 2014	Not Probable	R 78 616.27	0,00	186 113,30
14	Farouk Jasat N.O/ Msunduzi Municipality (Case No: 2219/2015)	Delictual Claim: Plaintiff is suing for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Mathew Francis	2015	Plaintiff's Attorneys to advise on intentions to ligate matter. Matter dormant.	R 54 578.50 plus interest at 9% per annum from 1 December 2014	Not Probable	R 54 578.60	140 835,80	129 207,16
15	Sikelephi Ngubane/ Msunduzi Municipality (Case No: 5869/15)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a municipal vehicle	Farzanah Ebrahim	Internal	2015	Matter dormant.	R17 312.33 plus interest at 9% per annum from 1 June 2015	Not Probable	R 17 312,33	40 984,58	37 600,53
16	F. Aboobaker/ Msunduzi Municipality	Delictual Claim: Plaintiff is suing the Municiplaity for damages suffered as a result of a motor vehicle collision with a municipal vehicle	Farzanah Ebrahim	Internal	2015	Plaintiff filed its discovery affidavit.Plaintiff has not moved the matter further.	R10 411.46 plus 9% interest per annum from 2 December 2015.	Not Probable	R 10 411.46	24 647,71	22 612,58
17	Nomusa Sybil Ngwenya/ Msunduzi Municipality (Case No: 1645/15)	Delictual claim: Plaintiff is suing the Municipality for damages suffered as a result of a motor vehilce collision involving a municiapl vehicle	Farzanah Ebrahim	Internal	2015	Pleadings have closed. Matter dormant.	R 24 351.28 plus interest at 9% per annum from date of judgement	Not Probable	R 24 351.28	24 351,28	24 351,28
18	SM Mazibuko/ Msunduzi Municipality (Case No: 7070/15)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision involving a municipal vehicle	Farzanah Ebrahim	Internal	2015	Matter is defeneded but remains dormant.	R11 395.73 plus interest at 9% per annum from date of judgement	Not Probable	R 11 395.73	11 395,73	11 395,73

CONTINGENT LIABILITIES AS AT JUNE 2025 (Figures in Rand)											
	MATTER ID	DESCRIPTION	IN-STRUCT-ING OFFICIAL	ATTOR-NEY/AD-VOCATE	SUMMONS DATE	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	AMOUNT	24/25	23/24 RESTATED
19	Anthoo Marion/ Msunduzi Municipality (Case No: 16270/15)	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract	Farzanah Ebrahim	Internal	2015	Matter dormant	R12 935.00 plus interest at 9 % per annum from 9 December 2015	Not Probable	R 12 935.00	30 621,85	28 093,44
20	Abbas Ghulam/ Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of an alleged assault by a Municipal Traffic Officer	Farzanah Ebrahim	Internal	2015	The matter is ongoing.	R 100 000.00 plus interest at 15,5% per annum.	Not Probable	R 100 000.00	422 493,32	365 795,08
21	Telkom SA SOC Ltd/ Msunduzi Municipality (Oribi Road, Pelham) (Case No: 15146/2015)	Delictual Claim: Plaintiff is suing the Municipality for damages to its underground cables allegedly cause by Municipal water pipes	Farzanah Ebrahim	Mathew Francis	2015	Settlement negotiations proved fruitless. Telkom has not taken the matter further.	R75 344.42 plus interest at 9% per annum from 22 September 2015	Not Probable	R 75 433.42	178 367,64	163 640,04
22	Telkom SA SOC LTD/ Msunduzi Municipality (Eden Park Drive) (Case No: 14572/2015)	Delictual Claim: Plaintiff is suing the Municipality for damage to its underground cables allegedly cause by Municipal water pipes	Farzanah Ebrahim	Mathew Francis	2015	Settlement negotiations proved fruitless. Telkom has not taken the matter further.	R43 262.08 plus interest at 9% per annum from 14 October 2015	Not Probable	R 43 262.08	102 417,08	93 960,62
23	Telkom SA SOC LTD/ Msunduzi Municipality (Zwartkop, Blackridge) (Case No: 15793/2015)	Delictual claim: Plaintiff is suing the Municipality for damage to its underground cables allegedly cause by Municipal water pipes	Farzanah Ebrahim	Mathew Francis	2015	Settlement negotiations proved fruitless. Telkom has not taken the matter further.	R 25 554.55 plus interest at 9% per annum from 18 November 2015	Not Probable	R 25 554.55	60 496,91	55 501,76
24	S Dewaraj/ Msunduzi Municipality (Case No: 5884/2015)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision involving a Municipal Vehicle	Farzanah Ebrahim	Internal	2015	The matter is at pre-trial stage.	R15 575.00 plus interest at 9% p.a from 8 May 2015.	Not Probable	R 15 575.00	36 871,69	33 827,24
25	Anthony Jean Collin White/ Msunduzi Municipality (Case No: 5995/15)	Delictual Claim: The matter arises from plaintiff having fallen into an uncovered meter box in the vicinity of Flemming Street/ Prince Alfred Street	Farzanah Ebrahim	Internal	2015	Pleadings have closed. Matter at pre- trial stage.	R100 000.00 plus interest at 9% per annum from 19 May 2015	Not Probable	R 100 000.00	236 736,37	217 189,33
26	Bermin Investments CC t/a Magalela electrical/ Msunduzi Municipality (Case No: 1249/2015)	Contractual claim: Plaintiff is suing the Municipality for monies owed in terms of a contract	Farzanah Ebrahim	Internal	2015	Pleadings have closed. Matter dormant.	R 170 100 .69 plus interest at 9% per annum from 3 December 2014	Not Probable	R 170 100.69	438 932,31	402 690,19
27	Andre Geard Ramsingh v Msunduzi Municipality (Case No: 7066/2015)	Delictual claim: The Plaintiff is suing the Municipality for damages suffered as a result of being unlawfully arrested and detained	Farzanah Ebrahim	Xaba Attorneys	2015	Pleadings have closed. Matter dormant.	R 400 000 plus interest from date of judgement	Not Probable	R 400 000.00	400 000,00	400 000,00
28	APS Panelbeaters (Hugo's Panel Beaters)/ Msunduzi Municipality	Monetary Claim: The Plaintiff is suing the Municiplaity for damages suffered as a result of a new meter that was installed at Plaintiff's premises giving inaccurate readings resulting in Plaintiff being overcharged	Farzanah Ebrahim	Internal	2015	Matter dormant.	R 292 725.00, plus interest at 15.5% p/a plus legal costs.	Not Probable	R 292 725.00	1 236 743,56	1 070 773,64
29	Gubela Trading CC/ Msunduzi Municipality (Case No: 2265/16)	Contractual claim: Applicant sought an order to review the Municipality's decision to cancel a contract of services	P Mahlaba	Mathew Francis	2016	Plaintiff has indicated an intention to withdraw action. Notice of withdrawal prepared, parties communicating with regards to costs.	R595 337.26 plus interest from date of judgement.	Not Probable	R 595 337.26	595 337,26	595 337,26

CONTINGENT LIABILITIES AS AT JUNE 2025 (Figures in Rand)											
	MATTER ID	**DESCRIPTION**	**IN-STRUCT-ING OFFICIAL**	**ATTOR-NEY/AD-VOCATE**	**SUMMONS DATE**	**CURRENT STATUS/ PROGRESS**	**QUANTUM**	**PROBABILITY OF OUTFLOW**	**AMOUNT**	**24/25**	**23/24 RESTATED**
30	Koshik Singh/ Msunduzi Municipality (Case No: 7246/16)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2016	Pleadings have closed. Plaintiff has not taken the matter forward.	R 9 406.21 plus interest at 9% per annum from 26 November 2015	Not Probable	R 9 406.21 22	267,92	20 429,28
31	N. Singh/ Msunduzi Municipality insurance matter	Delictual Claim: Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2016	The matter is ongoing.	R9 406.21 plus 15,5% interest per annum.	Not Probable	R 9 406.21	34 407,45	29 790,00
32	Akira Pillay/ Msunduzi Municipality(Case No: 7827/16)	Delictual Claim: The Plaintiff is suingthe Municipality for damages suffered as a result of a motor vehicle collision involving a Municipal Vehicle	Farzanah Ebrahim	Internal	2016	The Defendant's Plea and counterclaim were filed in court and served on the Plaintiff. Pleadings have closed and Defendant has filed its discovery affidavit in 2023.	R 14 365,96 plus 9% interest per annum from date of judgment.	Not Probable	R 14 365.96	14 365,96	14 365,96
33	Krishna Govender/ Msunduzi Municipality (Case No: 874/17)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a Municipal vehicle	Farzanah Ebrahim	Internal	2017	Pleadings have closed, matter remains dormant.	R 13 405. 21 plus interest at 10.5% per annum from 23 November 2016	Not Probable	R 13 405.21	32 925,63	29 796,95
34	Lanre Ayodele Olaboye & 1 other/ Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision involving a Municipal vehicle	Farzanah Ebrahim	Internal	2016	An Appearance to defend was filed and served on plaintiff.	R42 376.09 plus 10,25% interest per annum.	Not Probable	R 42 376.09	101 983,11	92 501,69
35	Leon Van Zyl/ Msunduzi Municipality (Case No: 1001/2016)	Delictual Claim: Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a Municipal vehicle	Farzanah Ebrahim	Internal	2016	Matter is defended but remains dormant.	R46 692.18 plus interest at 9% per annum from 30 November 2015	Not Probable	R 46 692.18	110 537,37	101 410,43
36	Telkom SA Soc Ltd/Msunduzi Municipality (Case No: 9672/16)	Delictual Claim: The Plaintiff is suing the Municipality for damages to its underground cables allegedly caused during excavations by the municipal water department	Farzanah Ebrahim	Mathew Francis	2016	Matter is dormant.	R 33 523.55 interest from date of judgement	Not Probable	R 33 523.55	33 523,55	33 523,55
37	SS Nyoka/ Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision involving a Municipal Vehicle	Farzanah Ebrahim	Internal	2016	The summons herein was issued in the Magistrates Court.	R67 008.77 plus 9% interest per annum.	Not Probable	R 67 008.77	145 535,90	133 519,17
38	Ziyad Alley/ Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision involving a Municipal Vehicle	Farzanah Ebrahim	Internal	2016	A summons has been received. An appearance to defend was filed and served on the Plaintiff.	R 45 887,66 plus interest at 15.5% p.a.	Not Probable	R 45 887.66	167 854,80	145 328,83
39	Prethaburan Govender/ Msunduzi Municipality (Case No: 13275/16)	Delictual Claim: The Plaintiff is suing the municipality for an incident wherein the Municipality allegedly caused damages to the properties of eight tenants as a result of a power surge	Farzanah Ebrahim	Internal	2016	Matter is defended but remains dormant.	R48 200.00 plus interest from date of judgement	Not Probable	R 48 200.00	48 200,00	48 200,00

CONTINGENT LIABILITIES AS AT JUNE 2025 (Figures in Rand)											
	MATTER ID	DESCRIPTION	IN-STRUCT-ING OFFICIAL	ATTOR-NEY/AD-VOCATE	SUMMONS DATE	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	AMOUNT	24/25	23/24 RESTATED
40	Philani Kenneth Sikhosana/ Msunduzi Municipality (Case No: 9350/16)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of the alleged failure of the Defendant to keep the Hall in good condition for the Plaintiff's event	Farzanah Ebrahim	Internal	2016	Matter is defended but remains dormant.	R 90 000 plus interest at 9% per annum from 5 September 2016	Not Probable	R 90 000.00	195 470,40	179 330,64
41	Ilitha Research and Management CC/ Msunduzi Municipality (Case No: 2613/2016)	Contractual Claim: The Plaintiff is suing the Municipality for monies owing for services rendered	Farzanah Ebrahim	Internal	2016	Pleadings have closed. Plaintiff has not taken the matter further.	R62 768.00 plus interest at 9% per annum from date of judgement	Not Probable	R 62 768.00	62 768,00	62 768,00
42	Sibongiseni Wiseman Khanyile/ Msunduzi Municipality (Case No: 703/16)	Delictual Claim: Plaintiff claims that he was unlawfully assaulted and detained by Municipal Traffic Officers	Farzanah Ebrahim	Internal	2016	Matter defended but remains dormant.	R200 000.00 plus interest at 9% per annum from 15 February 2016	Not Probable	R 200 000.00	434 378,66	398 512,53
43	M. Brown/ Msunduzi Municipality - insurance matter	Delictual claim: The Plaintiff is suing the Municipality for damages suffered arising from his unlawful arrest by a Municipal Traffic Officer	Farzanah Ebrahim	Internal	2016	Plaintiff has not moved the matter further.	R 257 000 plus 9% interest per annum.	Not Probable	R 257 000.00	558 176,57	512 088,60
44	L.M Stillies/ Msunduzi Municipality (Case No: 1687/16)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of injuries sustained during a fall on an uncovered manhole	Farzanah Ebrahim	External Insurer	2016	The summons was issued at the High Court. Plaintiff has not moved the matter further.	R864 272.36 plus interest at 7.75% p.a from date of judgment	Not Probable	R 864 272.36	864 272,36	864 272,36
45	AMA-Grace Business Enterprises/ Msunduzi Municipality (Case No: 8907/16)	Delictual Claim:The Plaintiff is suing the municipality for an incident wherein Plaintiff allegedly suffered damages as a result of a burst pipe which then allegedly caused damage to the plaintiff's property	Farzanah Ebrahim	Internal	2016	We are awaiting a further trial date herein.	R59 042.52, no interest	Not Probable	R 59 042.52	59 042,52	59 042,52
46	Israel Sibiya/ Msunduzi Municipality (Case No: KZN/PMB/ RC: 711/16)	Delictual Claim: The Plaintiff is suing the Municipality for an alleged unlawful arrest, detention and defamation of character as well as injuries suffered	Farzanah Ebrahim	Internal	2016	Matter is defended but remains dormant.	R400 000 plus interest from date of judgement	Not Probable	R 400 000.00	400 000,00	400 000,00
47	Mduduzi Collen Sosibo/ Msunduzi Municipality (Case No: 8468/16)	Monetary Claim: The Plaintiff is suing the Municipality for a refund of rates, taxes and services owed by the previous owner of the property	Farzanah Ebrahim	Internal	2016	This matter is defended but remains dormant.	R 132 431.96 plus interest at 10.25% per annum from date of judgement	Not Probable	132 431,96	132 431,96	132 431,96
48	Ncamisile Madlala/ Msunduzi Municipality (Case No: 13025/17)	Monetary Claim: The Plaintiff is suing the Municipality for damages arising because of the Defendant's alleged erroneous disconnection of a meter supplying electricity to the Plaintiff's premises	Farzanah Ebrahim	Internal	2017	The matter is defended but remains dormant.	R 1 495.23 plus interest from date of judgement	Not Probable	R 1 495.23	1 495,23	1 495,23
49	Electro Technical Agencies CC/ Msunduzi Municipality (Case No: 947/17)	Delictual Claim: The plaintiff is suing the Municipality for an incident wherein the Plaintiff's vehicle was allegedly involved in a collision with a Municipal driven by a Municipal employee	Farzanah Ebrahim	Internal	2017	A notice to withdraw the action was received from the Plaintiff during 23 August 2017.	R 10 817.73 plus interest at 9% per annum from 24 February 2017	Not Probable	R 10 817.73	0,00	0,00

CONTINGENT LIABILITIES AS AT JUNE 2025 (Figures in Rand)											
	MATTER ID	DESCRIPTION	IN-STRUCT-ING OFFICIAL	ATTOR-NEY/AD-VOCATE	SUMMONS DATE	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	AMOUNT	24/25	23/24 RESTATED
50	Catherine Scott/ Msunduzi Municipality (Case No: 5931/17)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2017	Matter is defended but remains dormant.	R 11 443. 92 plus interest at 10.50% per annum from 8 May 2017	Not Probable	R 11 443.92	25 437,42	23 020,29
51	Qaphala Jacob Ngubane/ Msunduzi Municipality (Case No: 4000/17)	Delictual claim: The Plaintiff is suing the Municipality for damages suffered as a result of a power outage which resulted in a power surge	Farzanah Ebrahim	Internal	2017	Matter defended.	R 21 862.00 plus interest from date of judgment	Not Probable	R 21 862.00	21 862,00	21 862,00
52	Servest Hygiene/ Msunduzi Municipality (Case No: 10765/2017)	Contractual Claim: The Plaintiff is suing the Municipality for eon- payment of services rendered	Farzanah Ebrahim	Internal	2017	The matter is defended but remains dormant.	R 36 941.89 plus interest at 10.5% per annum from 18 October 2017	Not Probable	R 36 941.89	82 114,02	74 311,33
53	Musa Nxumalo/ Msunduzi Municipality (Case No: 321/17)	Delictual Claim: The Plaintiff is suing the Municipality damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Mastross Inc	2017	Awaiting internal investiation report and consulation with Municipal witnesses.	R 44 454.88 plus interest at 9% per annum from 21 November 2016	Not Probable	R 44 454.88	96 551,26	88 579,13
54	Gys De Necker Ontwinkkelings (Pty) Ltd / Msunduzi Municipality (Case No: 7794/17)	Monetary Claim: The Plaintiff is suing the Municipality for an alleged failure to refund the Plaintiff in respect monies advances for utiliities	Farzanah Ebrahim	Internal	2017	Pleadings have clsoed. The matter is at the pre-trial stage.	R 77 083.05 plus interest at 10.5% per annum from 26 May 2016	Not Probable	R 77 083.05	189 329,98	171 339,35
55	Wiseman Sibonelo Thamsandqa Maphumulo/ Msunduzi Municipality (Case No: 9836/17)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of an incident where the Plaintiff fell into an open manhole	Nelisa Mbambo	External Insurer	2017	Matter is with external insurers.	R 177 000.00 plus interest at 10.25% per annum from 11 September 2017	Not Probable	R 177 000.00	386 368,80	350 447,89
56	Giyani Engineering/ Msunduzi Municipality (Case No: 12985/17)	Contractual claim: Claimining specific performance for monies due for services rendered	Farzanah Ebrahim	TMJ	2017	Plantiff attorneys to place matter on case flow management roll.	R1 193 005.79 plus interest at 10.25% per annum from date of judgement	Not Probable	R 1 193 005.79	1 193 005,79	1 193 005,79
57	Moteko Construction Cost Consultants CC/ Msunduzi Municipality (Case No: 279/19)	Claim for contractual damages arising from a breach	Farzanah Ebrahim	Mathew Francis	2019	Review application still to be finalised. Counsels brief has been supplemented in order to take the matter further.	Claim A - R15 079 193.37 plus interest from date of judgement Claim B - R3 278 868.35 plus interest at 10.5% per annum	Not Probable	R 18 358 061.72	23 132 690,01	22 367 425,62
58	Rajendra Govender/ Msunduzi Municipality Insurance matter	Labour Dispute (appeal and High Court application). Application for re-instatement	Kevin Perumal	Internal	2017	The matter is ongoing	Risk of R115 000. (Salary related)	Not Probable	R 115 000.00	115 000,00	115 000,00
59	M Skhumbuzo Mpata/ Msunduzi Municipality - Insurance Matter	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of the natural flow of water, which caused damage to the Plaintiff's property	Farzanah Ebrahim	Internal	2018	Defendant filed its Notice of Appearance to Defend as well as its Plea in court and served both on the Plaintiff.	R 11 914.43 plus interest at 15.5% p.a.	Not Probable	R 11 914.43	32 669,85	28 285,59
60	Bhekezakhe Victor Langa/ Msunduzi Municipality - Insurance Matter	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Internal	2018	Conducted research, consultations and instructions on plea and claim in reconvention.	R24 909.17 plus 10% interest per annum.	Not Probable	R 24 909.17	48 540,93	44 128,11
61	Dharam C Deeplaul/ Msunduzi Municipality - Insurance Matters	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2018	The matter is ongoing.	R 50 462.89 plus 10,25% interest per annum.	Not Probable	R 50 462.89	99 913,07	90 624,10

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62	Sibongile Priscilla Nzama/ Msunduzi Municipality (Case No: 10510/17)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a municipal vehicle	Farzanah Ebrahim	Internal	2017	Pleadings have closed. Plaintiff has not moved the matter further.	R53 152.22 plus interest at 10.25% per annum from 11 January 2018	Not Probable	R 53 152.22	105 237,76	95 453,75
63	Mzotshingwe Million Mzobe/ Msunduzi Municipality (Case No: 1386/18)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision involving a municipal vehicle	Farzanah Ebrahim	Internal	2018	Pleadings have closed. The matter remains formant.	R 75 119.79 plus interest at 10.5% per annum from date of judgement	Not Probable	R 75 119.79	75 119,79	75 119,79
64	Rowan Gareth Blakeman/ Msunduzi Municipality (Case No: 9561/18)	Delictual claim: The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a large pothole	Nelisa Mbambo	External Insurer	2018	Matter has been defended.	R 104 352.10 plus 10% interest per annum from November 2018	Not Probable	R 104 352.10	203 352,72	184 866,11
65	Kandasamy Moonsamy Devan/ Msunduzi Municipality (Case No: 569/18)	Delictual Claim: The Plaintiff is suing the municipality for allegedly suffering damages having tripped on a broken protruding portion of a pavement block/slab	Farzanah Ebrahim	Internal	2018	The matter is defended but remains dormant.	R92 596.44 plus interest from date of judgement	Not Probable	R 92 596.44	92 596,44	92 596,44
66	Nimie Mahomed/ Msunduzi Municipality (Case No: 939/18)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of the Plaintiff allegedly falling on an uneven concrete slab	Nelisa Mbambo	External Insurer	2018	Matter with external insurer.	R 585 400.00 plus interest 14 days from date of judgement	Not Probable	R 585 400.00	585 400,00	585 400,00
67	Deveng Africa Consulting (Pty) Ltd/ Msunduzi Municipality (Case No: 938/18)	Contractual Claim: damages for breach of contractual obligations	M Mbokazi	TMJ	2018	Pleadings have closed. Pre-Trial processes complete. Plaintiff to provide documents.	R5 309 127.01 plus interest at 10.25% per annum from date of judgement	Not Probable	R 5 309 127.01	5 309 127,01	5 309 127,01
68	Eskom Holdings Soc Limited / Msunduzi Municipality and Indiza Airport Management (PTY) Limited (Case No: 7801/18)	Delictual claim: The Plaintiff is suing the Municipality for having allegedly suffered damage to its aircraft due to a fire breakout.	Nelisa Mbambo	External Insurer	2018	The matter has been settled at R 4 000 000.00. Paid from External Insurer	R 17 963 805. 75 plus interest at 10% per annum from 10 July 2018	Not Probable	R 17 963 805.75	0,00	31 823 977,68
69	Kerry-Lee Cowley/ Msunduzi Municipality (Case No: 10101/18)	Delictual Claim: The Plaintiff is suing the Municiplaity for damages suffered as a result of a motor vehicle collision	Nelisa Mbambo	External Insurer	2018	Matter is defended.	R3 050 000.00 plus interest at 10.25% from date of judgement	Not Probable	R3 050 000.00	3 050 000,00	3 050 000,00
70	J Supathy/ Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2019	Dan Moonsamy Naidoo/ Msunduzi Municipality Hlengiwe Sithole	R 26 250,30 plus interest at 15.5% p.a.	Not Probable	R 26 250.30	62 319,82	53 956,55
71	Dan Moonsamy Naidoo/ Msunduzi Municipality & 1 other	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Internal	2019	A round table conference has been arranged between the parties.	Claim 1 R 35 000,00 , Claim 2 R 3 000.00 plus interest at 15.5% p.a.	Not Probable	R 38 000.00	90 214,32	78 107,64
72	RJ Walker/ Msunduzi Municipality (Case No: 6149/19)	Delictual Claim: The Plaintiff is suing the municipality for damages suffered as a result of a motor vehicle collision with a Municipal vehicle	Farzanah Ebrahim	Internal	2019	The matter is dormant.	R 31 266.67 plus interest from date of judgement.	Not Probable	R 31 266.67	31 267,00	31 266,67

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73	Rhoda Basdeo/ Msunduzi Mu-nicipalaity (Case No: 6914/19)	Delictual Claim: The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly in-volved in a collision with a Municipal vehicle driven by a Municipal Employ-ee in the course and scope of his/ her employment	Farzanah Ebrahim	Internal	2019	Defendant's Plea has been filed in the mat-ter. Plaintiff has not taken the matter further	R 54 566.01 plus interest at 10% per annum from 10 September 2018	Not Probable	R 54 566.01	106 333,72	96 667,02
74	Bongani Charles Zondi/ Msunduzi Municipality (Case No: 7432/19)	Delictual Claim: Plaintiff is suing the Municipality for damages to property due to the alleged negligence	Farzanah Ebrahim	Internal	2019	Matter defend-ed but remains dormant.	R192 000.00 plus interest from date of judgement	Not Probable	R 192 000.00	192 000,00	192 000,00
75	Kua-Siza Transporters CC/ Msunduzi Municipality (Case No: 1376/2017)	Delictual claim: The Plaintiff is suing the Municipality for damages suffered as a result of a mo-tor vehicle collision with a Municipal vehicle	Farzanah Ebrahim	Internal	2017	Matter defend-ed. Application for recission of default judg-ment brought.	R 55 532.34 plus interest at 9% per annum from 14 November 2016	Not Probable	55 532,34	120 610,32	110 651,67
76	Muhammad Sheik/ Msunduzi Municipality Case No: 12220/19)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a colli-sion with a pothole	Farzanah Ebrahim	Internal	2019	Matter is defended but remains dormant.	R 8 066.12 plus interest at 10% per annum from 12 September 2019	Not Probable	R 8 066.12	14 289,62	12 990,57
77	MJ Essack/ Msunduzi Mu-nicipality (Case No: 10306/19)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a colli-sion with a pothole	Farzanah Ebrahim	Internal	2019	Condonation was granted in favour of Plaintiff. Case to continue	R 91 029,10 plus 7.75% interest per an-num from date of judgment.	Not Probable	R 91 029.10	91 029,00	91 029,10
78	Datcentre Motors (Pty) Ltd/ Msunduzi Mu-nicipality (Case No: 39/2020)	Contractual claim: The Plaintiff is suing the Municipality for services rendered	Farzanah Ebrahim	Internal	2019	Matter is defended but remains dormant.	R 212 344.06 plus interest at 10% per annum from 28 January 2020	Not Probable	R 212 344.06	341 982,23	310 892,94
79	SB Mkhize/ Msunduzi Mu-nicipality (Case No: 8363/19)	Monetary Claim: The Plaintiff is suing the Municipality for non- payment of services rendered	M Mbokazi	TMJ	2019	Pleadings have closed. Matter is at pre-trial stage.	R 618 383 plus interest at 10 % per annum from 18 September 2019	Not Probable	R 318 383.00	1 095 503,21	995 912,01
80	Flavour More (Pty) Ltd/ Msun-duzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered which occurred from a power surge/outage as a result of the failure of the Municipal-ity to maintain a constant supply of electricity and perform timeously	Nelisa Mbambo	External Insurer	2019	File with Exter-nal Insurers.	R 949 084.85 plus interest at 10,25% from 3 December 2019.	Not Probable	R 949 084.85	1 704 420,03	1 545 959,21
81	Tumelo Mongali/ Msunduzi Mu-nicipality (Case No: 9722/20)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision involving a municipal vehicle	Nelisa Mbambo	External Insurer	2020	Matter being dealt with by external insurer.	R 180 000.00 plus interest at 15.5% per annum from 20 October 2020	Not Probable	R 180 000.00	369 983,56	320 332,09
82	Dumisani Em-manuel Radebe/ Msunduzi Mu-nicipality (Case No: 2985/2020)	Delictual claim: The Plaintiff is suing the municipality for damages arising from a motor vehi-cle collision	Farzanah Ebrahim	Internal	2020	Matter defend-ed.	R 6 685.53 plus interest at 10% per annum from 20 August 2018	Not Probable	R 6 685.53	13 028,21	11 843,82
83	Gonaselen Valautham Nai-doo/ Msunduzi Municipality - INSURANCE MATTER	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Internal	2020	Municipality has filed its plea as at 19/11/2020. no further action from plaintiff as at 31 April 2024. Dormant.	R 13 505.72 plus interest at 10.00% per annum	Not Probable	R 13 505.72	21 751,10	19 773,72

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84	Nandha Thatay-iya Naidoo/ Msunduzi Mu-nicipality (Case No: 9016/20)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision involving a municipal vehicle	Farzanah Ebrahim	Internal	2020	Matter dormant.	R 46 435.45 plus interest at 8.75% per annum from 9 October 2020	Not Probable	R 46 435.45	70 631,10	64 948,14
85	Santosh Singh/ Msunduzi Municipality - INSURANCE MATTER	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a mo-tor vehicle collision with a pothole	Nelisa Mbambo	External Insurer	2020	Matter defend-ed.	R 62 904.33 plus interest at 7.00% per annum	Not Probable	R 62 904.33	88 226,58	82 454,74
86	Thulasizwe Collen Ncalane/ Msunduzi Mu-nicipality (Case No: 6353/20)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a colli-sion with a pothole	Farzanah Ebrahim	Internal	2020	Matter defend-ed but remains dormant.	R 66 937.08 plus interest at 10% per annum from 10 February 2020	Not Probable	R 66 937.08	107 802,84	98 002,58
87	Sanjay Arjun/ Msunduzi Mu-nicipality (Case No: 12074/20)	Monetary Claim: The Plaintiff is suing the Municipality for overpayment of municipal services	Farzanah Ebrahim	Internal	2020	Pleadings have closed. The matter is dormant.	R74 738.49 plus interest at 8.75% per annum from 3 December 2020	Not Probable	R74 738.49	113 681,72	104 534,92
88	Ajith Lachman/ Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Internal	2020	Appearance to defend filed and served.	R 15 859,09 plus interest at 15.5% p.a.	Not Probable	R 15 859.09	32 597,79	28 223,20
89	Abigail Dlamini/ Msunduzi Mu-nicipality (Case No: 2654/20)	Delictual claim: The Plaintiff is suing the Municipality for damages that alleg-edly occurred as a result of a collision with a pothole	Farzanah Ebrahim	Internal	2020	Pre-trial notices have been exchanged.	R 16 584.53 plus interest at 10% per annum from 11 December 2019	Not Probable	R 16 584.53 29	380,51	26 709,55
90	Suresh Gopal/ Msunduzi Mu-nicipality (Case No: 2864/20)	Delictual Claim: The Plaintiff is suing the municipality for damages suffered as a result of a mo-tor vehicle collision with a Municipal vehicle	Farzanah Ebrahim	Internal	2020	Matter defend-ed but remains dormant.	R 36 171.00 plus interest at 10.25% per annum from 18 April 2017	Not Probable	R 36 171.00	78 956,76	71 616,11
91	Duncan Stewart Harrison N.O/ Msunduzi Mu-nicipality (Case No: 955/20)	Contractual Claim	Farzanah Ebrahim	Mdledle Inc.	2020	Pleadings have closed. Pre- Tri-al in process.	R 164 552.79 plus interest at 10.25% per annum from 3 September 2019	Not Probable	R 164 552.79	295 513,17	268 039,16
92	Rajinne Erradu/ Msunduzi Mu-nicipality (Case No: 10272/20)	Delictual claim: The Plaintiff is suing the municipality for damages suffered as a result of a mo-tor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2020	Pleadings have closed. Matter is dormant.	R 131 182.18 plus interest at 7.75% per annum from 26 June 2020	Not Probable	R 131 182.18	190 529,07	176 825,12
93	Tulisa Cables (Pty) Ltd/ Msun-duzi Municipality (Case No: KZN/ PMB/RC: 817/20)	Contractual claim: The Plaintiff is suing the Municipality in respect of breach of contract for servic-es rendered	Farzanah Ebrahim	Internal	2020	Matter defend-ed. Plaintiff has not taken the matter further.	R 288 221.39 plus interest at 8.75% per an-num from date of judgement	Not Probable	R 288 221.39	288 221,39	288 221,39
94	Babonke Twetwa/ Msunduzi Mu-nicipality (Case No: 7521/20)	Delictual claim: The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a physical alter-cation and an un-lawful arrest by the Municipality's Road Traffic Officials during the course and scope of his/ her employment	Nelisa Mbambo	External Insurer	2020	Matter is defended and Plaintiff has not moved the matter further.	R 1 200 700.00 plus interest at 7.75% per an-num from date of judgement	Not Probable	R 1 200 700.00	1 200 700,00	1 200 700,00

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95	Zutari (Pty) Ltd/ Msunduzi Municipality (Case No: 6525/2020)	Contractual claim: Plaintiffs previously known as Aurecon South Africa (Pty) Ltd who allegedly entered into a contract with the Municipality in 2012 under SCM 7 of 2013 for the design and contract administration for the installation of water borne sanitation in ward 10 as per the tender. They allege they have not been paid for services rendered.	Farzanah Ebrahim	Mathew Francis	2020	Matter is defended and pleadings have closed. Awaiting counsels advice.	R 2 139 446.97 plus interest at 7.75% per annum from 2 December 2019	Not Probable	2 139 446,97	3 348 152,26	3 107 333,88
96	Sixolile Exelent Nene/ Msunduzi Municipality (Case No: 5038/20)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of the negligence of Municipal employees failing to cover a water drain	Nelisa Mbambo	External Insurer	2020	Pleadings have closed and the matter is at pre-trial stage.	R 4 921 000.00 plus interest 14 days from date of judgment	Not Probable	R 4 921 000.00	4 921 000,00	4 921 000,00
97	Dudu Rose-Mary Khumalo/ Msunduzi Municipality (Case No: 389/21)	Delictual claim: The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of 2 Traffic Officers of the Msunduzi Municipality Traffic Police Department, in uniform and acting within the course and scope of their employment, harassed and assaulted the Plaintiff and the person who was driving the vehicle.	Nelisa Mbambo	External Insurer	2021	Matter is at trial stage. Case closed 6 May 2025 at R50 000 settlemet case closed - Paid SPR 1610141 - POP Dated 9 MAY 2025	R 250 000.00 plus interest at 7.00% per annum from date of judgment	Not Probable	250 000,00	0,00	250 000,00
98	Marece Donnelly/ Msunduzi Municipality (Case No: 4033/21)	Delictual Claim: The Plaintiff is suing the Municipality for damages that allegedly occurred as a result of a collision with a pothole	Farzanah Ebrahim	Internal	2021	Pleadings have closed.	R 8 767.32 plus interest at 7% per annum from 11 January 2021	Not Probable	R 8 767.32	11 492,17	10 740,34
99	Danielle Gounder/ Msunduzi Municipality (Case No: 5158/2021)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a municipal vehicle	Farzanah Ebrahim	Internal	2021	Pleadings have closed. No further movement.	R 9 260.93 plus interest at 7% per annum from 12 February 2021	Not Probable	R 9 260.93	12 139,19	11 345,04
100	Dr A A Khan/ Msunduzi Municipality (Case No: 12083/2020)	Delictual Claim: The Plaintiff is suing the municipality for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2020	Matter defended but remains dormant.	R 22 741.68 plus interest at 10.25% per annum from 6 January 2021	Not Probable	R 22 741.68	33 599,82	30 476,03
101	Patricia Anne Luckin/ Msunduzi Municipality (Case No: 11070/2021)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision due to the negligent driving of a municipal employee	Farzanah Ebrahim	Internal	2021	Matter defended but remains dormant.	R 29 019.17 plus interest at 7% per annum from date of judgement	Not Probable	R 29 019.17	29 019,00	29 019,17
102	Thokozani Michael Mahlaba/ Msunduzi Municipality (Case No: 701/21)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision involving a municipal vehicle	Farzanah Ebrahim	Internal	2021	Pleadings have closed. The matter is at the pre-trial stage.	R 60 654.85 plus interest at 7.75% per annum from date of judgement	Not Probable	R 60 654.85	60 654,85	60 654,85

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103	Lisalihle Mavu-so/ Msunduzi Municipality (Case No: 4098/21)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of the Plaintiff suffering injuries caused by a high voltage power line which had allegedly become detached	Farzanah Ebrahim	Internal	2021	Matter is defended but remains dormant.	R 150 00.00 plus interest at 10.5% per annum from 31 March 2021	Not Probable	R 150 00.00	223 635,31	202 384,89
104	M.I.A Ganie N.O/ Msunduzi Municipality	Monetary Claim: Plaintiff is suing for a refund of monies allegedly overpaid on application for a rates clearance certificate	Farzanah Ebrahim	Internal	2021	Matter ongoing.	R231 471,00 at 7%	Not Probable	R231 471 303 411,26	283	561,93
105	Udash Jaipal Vather/ Msundu-zi Municipal-ity (Case No: 9877/2021)	Delictual claim: The Plaintiff is suing the Municipality for damages that alleg-edly occurred as a result of a collision with a pothole	Farzanah Ebrahim	Internal	2021	Pleadings have closed. Parties have exchanged pre-trial notices.	R 27 651.77 at 10.25% from date of judgement	Not Probable	R 27 651.77	27 651,77	27 651,77
106	Thulani Eric Ntshiza/ Msunduzi Mu-nicipality (Case No: 11072/21)	Delictual Claim: Plaintiff is suing the Municipality for damages suffered as a result of a mo-tor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2021	Matter defend-ed but remains dormant.	R 64 930.48 plus interest at 7% per annum from date of judgement	Not Probable	R 64 930.48	64 930,48	64 930,48
107	Sello Simon Maboee/ Msunduzi Mu-nicipality (Case No: 15004/22) duplicate line 61	Delictual claim: The Plaintiff is suing the municipality for an incident wherein the employees of the Municipality who were cutting down trees near the boundary of the Plaintiffs premises, cut a tree which fell and damaged the Plaintiffs palisade fencing together with the tennis court	Farzanah Ebrahim	Siva Chetty & Co	2022	Matter has been defended. Pleadings have closed. Awaiting appointment of Magistrate out-side of PMB.	R 125 350 plus interest at 7.00% from 17 August 2019	Not Probable	R 125 350 188	116,55	175 809,86
108	Mark Francis/ Msunduzi Mu-nicipality (Case No: 3317/21)	Delictual claim: Arising from negli-gence of the Munic-ipality in maintain-ing its electricity reticulation system in order to prevent a power surge, resulting in damage to the Plaintiff's equipment	Farzanah Ebrahim	Mastross Inc	2021	Pleadings have closed. Plain-tiff's Attorneys have withdrawn as attorneys of record, no new appointment.	R85 288.00 plus interest from date of judgement	Not Probable	R85 288 85	288,00	85 288,00
109	Thavandan Sub-ramanian Marie/ Msunduzi Mu-nicipality (Case No: 4371/21)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a mo-tor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2021	Pleadings have clsoed. The matter is at the pre-trial stage.	R 43 061.96 plus interest at 7% per annum from 27 Janu-ary 2021	Not Probable	43 061,96	56 445,45	52 752,75
110	Theresa Khetiwe Mlotshwa/ Msunduzi Mu-nicipality (Case No: 5255/21)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a mo-tor vehicle collision with a pot hole	Farzanah Ebrahim	Internal	2021	Pleadings have closed. Matter remains dormant.	R 73 760.10 plus interest at 7% per annum from 12 Febru-ary 2021	Not Probable	R 73 760.10	96 684,44	90 359,29
111	Surishinee Pillay/ Msunduzi Municipality Case No: 13487/2021)	Delictual claim: The Plaintiff is suing the municipality for damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Siva Chetty & Co	2021	Pleadings have closed. An inspection in loco needs to be set up.	R 31 700.00 plus interest at 7% per annum from date of judgement	Not Probable	R 31 700.00	31 700,00	31 700,00

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	MATTER ID	**DESCRIPTION**	**IN-STRUCT-ING OFFICIAL**	**ATTOR-NEY/AD-VOCATE**	**SUMMONS DATE**	**CURRENT STATUS/ PROGRESS**	**QUANTUM**	**PROBABILITY OF OUTFLOW**	**AMOUNT**	**24/25**	**23/24 RESTATED**
112	Sonny Kulan Thangalan / Msunduzi Municipality (Case No: 2418/2021)	Delictual claim: The Plaintiff is suing the Municipality for an incident wherein Plaintiff allegedly tripped and fell and landed on his left arm due to the unevenness of the pavement/road within the municipal boundaries of the Municipality	Nelisa Mbambo	Siva Chetty & Co	2021	Matter dormant.	R 550 000.00 plus interest at 7% per annum from 13 April 2021	Not Probable	R 550 000.00	720 937,81	673 773,65
113	Liberty Group/ First Rand Bank Limited NO/ Liberty Two Degrees Limited/ Two Degrees Properties (Pty) Ltd/ Msunduzi Municipality (Case No: 1337/21)	Contractual claim: The Plaintiff's are suing the Municipality in respect of an alleged breach of contract for upgrade and supply of electricity services to the Plaintiffs expansion project of retail facilities at the Liberty Midlands Mall	Farzanah Ebrahim	Mathew Francis	2021	Matter is on going. The Plaintiff amended its particulars of claim, our amended plea was filed.	R 1 859 588.00 plus interest at 10.25% per annum from 22 February 2018	Not Probable	R 1 859 588.00	3 681 857,04	3 339 552,87
114	Sakhumnotho Development Services/ Msunduzi Municipality (Case No: 7247/21)	Contractual Claim: The Plaintiff is suing the Municipality for an alleged breach of contract	Farzanah Ebrahim	Mathew Francis	2021	Matter adjoined sine die, parties to hold pre-trial conference. Consultation with witnesses to be arranged.	R2 305 360.00 plus interest 14 days from date of judgement	Not Probable	R2 305 360.00	2 305 360,00	2 305 360,00
115	Bongiwe Andrietta Malgas/ Msunduzi Municipality (Case No: 754/21)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a pedestrian vehicle collision involving a municipal vehicle	Nelisa Mbambo	External Insurer	2021	Matter is defended with external insurer.	R 4 000 000.00 plus interest ay 7% per annum from date of judgement	Not Probable	R 4,000 000.00	4 000 000,00	4 000 000,00
116	Thandiwe Beatrice Mchunu/ Msunduzi Municipality (Case No: 11332/21)	Delictual claim: The Plaintiff is suing the Municipality for damages suffered as a result of an alleged assault by Defendant's employees	Farzanah Ebrahim	Mastross Inc	2021	Plaintiff has lodged an application to join the Municipality, which application is opposed. Awaiting Plaintiff's replying affidavit.	R 6 000 000.00 plus interest at 9% per annum from 2 December 2021	Not Probable	R 6 000 000.00	8 469 489,66	7 770 174,00
117	Akshay Jungbahadur/ Msunduzi Munipalicity (Case No: KZN/PMB/RC 2323/2022)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of an alleged assault by Municipality's employees	Nelisa Mbambo	External Insurer	2022	A notice of intention to defend has been filed in court and served on Plaintiff.	R250 000.00 plus interest at prescribed rate of 7.75%	Not Probable	R250 000.00	312 746,06	290 251,56
118	Taslyn Celine Joseph/ Msunduzi Munipalicity (Case No: KZN/PMB/RC 2321/22)	Delictual claim: The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of an assault by Municipality's employees (Traffic department) this occured within the jurisdiction of the Msunduzi Municipality	Nelisa Mbambo	External Insurer	2022	Matter is defended. An application to compel discovery has been set down in June 2025.	R250 000.00 plus interest at prescribed rate of 9% from 5 September 2022	Not Probable	R250 000.00	323 757,25	297 025,00
119	Dashendran Govender/ Msunduzi Municipality (Case No: 14051/21)	Delictual Claim: Plaintiff is suing the Municipality for damages suffered as a result of a colission with a pothole	Farzanah Ebrahim	Internal	2021	Pleadings have closed. Matter at pre- trial stage.	R 3 395.00 plus interest at 7% per annum from date of judgement	Not Probable	R 3 395.00	3 395,00	3 395,00
120	Dashendran Govender/ Msunduzi Municipality (Case No: 15348/22)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a collision with a pothole	Farzanah Ebrahim	Internal	2022	Matter is defended but remains dormant.	R 42 604.83 plus interest at 7%per annum from date of judgement	Not Probable	R 42 604.83	42 604,83	42 604,83

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	MATTER ID	DESCRIPTION	IN-STRUCT-ING OFFICIAL	ATTOR-NEY/AD-VOCATE	SUMMONS DATE	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	AMOUNT	24/25	23/24 RESTATED
121	Sunthosh Kunnen/ Msunduzi Mu-nipalicity (Case No: 12609/22)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a mo-tor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2022	A notice of intention to de-fend has been filed in court and served on Plaintiff.	R12 139.02 plus interest at prescribed rate 7.75%	Not Probable	R12 139.02	15 185,72	14 093,48
122	Patrica Mntam-bo/ Msunduzi Municipality (Case No: 16073/22)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a mo-tor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2022	Matter defend-ed. Matter is at pre- trial stage.	R 13 478.15 plus interest at 8.25% per annum from 30 August 2022	Not Probable	R13 478.15	17 096,77	15 793,78
123	Stephen Richard Pon/ Msunduzi Municipality (Case No: 1936/2022)	Delicual claim: The Plaintiff is suing the Municipality for damages arising as a result of a colli-sion with a pothole	Farzanah Ebrahim	Internal	2022	Pleadings have closed.	R 17 389.55 plus interest at 7% per annum from 15 November 2021	Not Probable	R 17 389.55	22 794,15	21 302,95
124	Andrew Scott/ Msunduzi Mu-nicipality (Case No: 7672/22)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a mo-tor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2022	Pleadings have closed. The matter is at pre-trial stage.	R18 800.68 plus interest at 7.25% per annum from 17 February 2022	Not Probable	R18 800.68 23	193,46	21 625,60
125	Sihle Jackson Mdunge/ Msunduzi Mu-nipalicity (Case No: 8456/22)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision involving a municipal vehicle	Farzanah Ebrahim	Internal	2022	Municipality has filed and served its plea as at 27/09/2022. No further action from Plaintiff.	R26 126.25 plus interest at 8.25% per annum from 1 March 2022	Not Probable	R26 126.25 33	140,63	30 614,90
126	Nonkululeko Paulamary Masikane/ Msunduzi Mu-nicipality (Case No: 11497/22)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a mo-tor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2022	Pleadings have closed. The matter is at the pre-trial stage.	R29 610.26 plus interest at 7.75% per annum from 23 May 2022	Not Probable	R29 610.26	37 041,97	34 377,70
127	Pamella Meint-jies/ Msunduzi Municipali-ty (Case No: 1267/22)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a mo-tor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2022	Pleadings have closed.	R 30 108.96 plus interest at 7% from 19 August 2021	Not Probable	R 30 108.96	39 466,70	36 884,77
128	Nkosinathi Zondi/ Msunduzi Municipal-ity (Case No:11413/2022)	Delictual claim: The Plaintiff is suing the Municipality for damages suffered as a result of a colli-sion with a pothole	Farzanah Ebrahim	GNG Inc	2022	Matter is set-tled and paid, R 38 901.70.	SPR ORDER NOR44 002.86 plus interest at the prescribed rate of 7.75% from 17 March 2022	Not Probable	R44 002.86	0,00	51 087,60
129	Bhekisisa Zuma/ Msunduzi Mu-nicipality (Case No: 13063/22)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a mo-tor vehicle collision with a Municpal vehicle	Farzanah Ebrahim	Internal	2022	Pleadings have closed. The matter is at dis-covery stage.	R64 302.78 plus interest at 7.5% per annum from 25 April 2022	Not Probable	R64 302.78 79 883,14 74 309,90		
130	Usomandla Projects/ Msunduzi Mu-nicipality (Case No: 423/2022)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a colli-sion with a pothole	Nelisa Mbambo	External Insurer	2022	Matter defend-ed but remains dormant.	R 75 484.69 plus interest at 7% per annum from 23 September 2021	Not Probable	R 75 484.69	98 945,03	92 471,99
131	Angela Coles/ Msunduzi Mu-nipalicity (Case No: 10621/2022)	Delictual claim: The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Nelisa Mbambo	External Insurer	2022	Matter has been defended but remains dormant.	R44 661,89 plus interest at 7.5% from 10 March 2022	Not Probable	44 661.89	55 483,33	51 612,40
132	Yugunathan Moodley/ Msunduzi Mu-nicipality (Case No: 6661/22)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a mo-tor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2022	Matter is at pre-trial stage.	R12 972. 00 plus interest at 7% per annum from date of judgement	Not Probable	R12 972	12 972,00	12 972,00

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133	Priscilla Jabulile Ndlovu/ Msunduzi Munipalicity (Case No: 17563/22)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2022	Pleadings have closed. Matter is at pre-trial stage.	R36 850.53 plus interest at 7.75% per annum from 19 August 2022	Not Probable	R36 850.53	46 099,43	42 783,70
134	Louise Kempen/ Msunduzi Municipality (Case No: 10806/23)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a collision with a pothole	Farzanah Ebrahim	Internal	2022	A notice of intention to defend has been filed in court and served on Plaintiff. Plaintiff has not taken the matter further and has not filed a rule 21 notice.	R104 743.09 plus interest at 8.25% from 10 August 2022	Not Probable	R104 743.09	132 864,54	122 738,61
135	Cyril Phumlani Mhlongo/ Msunduzi Municipality (Case No: 6418/19)	Delictual claim: The Plaintiff is suing the Municipality for alleged damages arising from negligence	Farzanah Ebrahim	Mastross Inc	2019	Pre- trial conference to be convened between the parties.	R 34 428.00 plus interest at 10.5% per annum from 30 June 2017	Not Probable	R 34 428-00	76 526,18	69 254,46
136	Rodgers Radebe/ Human Settlements (Case No: 12592/2022)	Delictual claim: The Plaintiff is suing the Human Settlements in respect of an RDP house built on his property without providing any compensation	Farzanah Ebrahim	Mastross Inc	2022	Defendant's Plea filed and served. Plaintiff has advised that the Municipality has been joined, awaiting proof.	R100 000.00 plus interest at 7% per annum from 22 February 2021	Not Probable	R100 000	131 079,60	122 504,30
137	Alia Gani/ Msunduzi Munipalicity (Case No: 11943/2022) SETTLED	Delictual claim: The Plaintiff is suing the Municipality for damages arising as a result of a motor vehicle collision	Farzanah Ebrahim	Mastross Inc	2022	Matter settled and paid, R 125 000.00 - SPR NO	R168 460.71 plus interest at the prescribed rates. 7.5% from 14 June 2022	Not Probable	R168 460.71	0,00	194 677,41
138	Makhosazane Ngcobo/ Msunduzi Municipality (Case No: 3568/22)	Delictual Claim: The Plaintiff is suing the Municipality for damages sufffered as a result of a motor vehicle collision involving a municipal vehicle	Farzanah Ebrahim	Internal	2022	A notice of intention to defend has been filed in court and served on Plaintiff.	R19 710.87 plus interest at 7.25% per annum from date of judgment	Not Probable	R19 710.87	19 710,87	19 710,87
139	Bongani Mweli/ Msunduzi Municipality (Case No: 1600/21)	Delictual claim: The Plaintiff is suing the municipality for damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Mathew Francis	2021	Matter defended. Special Plea raised. Plaintiff brought an application for condonation which was dismissed with costs. Bill of costs being drawn, once taxed and paid matter wil be finalised.	R219 671.94 plus interest at 7% per annum from 12 May 2021	Not Probable	R219 671.94	287 945,10	269 107,57
140	Fazail Mahomed Akoo/ Msunduzi Municipality (Case No: 13819/2022) Claim 03	Delictual claim: The Plaintiff is suing the Municipality in for damages suffered as a result of a collision	Farzanah Ebrahim	Siva Chetty & Co	2022	Plaintiff's application for summary judgement was dismissed with costs in favour of Msunduzi. Matter to proceed as defended.	R4 000.00 plus interest at 7.75% from 28 September 2022	Not Probable	R4 000	5 003,94	4 644,03
141	Fazail Mahomed Akoo/ Msunduzi Municipality (Case No: 13818/2022) Claim 02	Delictual claim: The Plaintiff is suing the Municipality for damages suffered as a result of a collision	Farzanah Ebrahim	Siva Chetty & Co	2022	Plaintiff's application for summary judgement was dismissed with costs in favour of Msunduzi. Matter to proceed as defended.	R4 000.00 plus interest at 7.75% from 12 October 2022	Not Probable	R4 000	5 003,94	4 644,03
142	Fazail Mahomed Akoo/ Msunduzi Municipality (Case No: 13817/2022) Claim 01	Delictual claim: The Plaintiff is suing the Municipality for damages as a result of a collision	Farzanah Ebrahim	Siva Chetty & Co	2022	Plaintiff's application for condonation was dismissed with costs in favour of Msunduzi. Matter to proceed as defended.	R9 200.00 plus interest at 7.75% from 19 September 2022	Not Probable	R9 200	11 509,05	10 681,26

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143	Stephen Hans-ford Anderson/ Msunduzi Mu-nicipality (Case No: 17191/2022)	Delictual claim: The Plaintiff is suing the Municipality for damages suffered as a result of a colli-sion with a pothole	Farzanah Ebrahim	Siva Chetty & Co	2022	Matter at pre- trial stage. Awaiting trial bundles.	R18 899.81 plus interest at 7% per annum from 25 August 2021	Not Probable	R18 899.81	24 773,80	23 153,08
144	Thandi Mjwara/ Msunduzi Mu-nicipality (Case No: 10624/2022)	Delictual claim: The Plaintiff is suing the Municipality for damages arising as a result of a colli-sion with a pothole	Farzanah Ebrahim	Siva Chetty & Co	2022	Pleadings have closed. Parties have exchanged pre-trial notices.	R27 219.95 plus interest at 7.75% per annum from 12 May 2022	Not Probable	R27 219.95	34 051,73	31 602,53
145	Ideal Meats PMB (Pty) Ltd t/a United Meats/ Msundu-zi Munici-pality (Case No:14127/22)	Delictual claim: The Plaintiff is suing the municipality for the loss of perishable meat stock due to an alleged power outage	Nelisa Mbambo	External Insurer	2022	Matter defend-ed.	R875 235.00 plus interest at 7,25% per annum from 24 December 2022	Not Probable	R875 235	1 079 733,51	1 006 744,53
146	Luyanda Zakwe/ Msunduzi Mu-nicipality (Case No: 16251/22)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of an al-leged electrocution of a child	Nelisa Mbambo	External Insurer	2022	Matter defend-ed.	R1 000 000 plus interest at 9% per annum from 10 November 2020	Not Probable	R1 000 000	1 538 623,95	1 411 581,61
147	Khanyisile Patricia Bhengu/ Msunduzi Mu-nicipality (Case No: 6238/21)	Delictual Claim: The Plaintiff is suing the Municipality for damages that allegedly occurred as a result of an injury as the Plaintiff fell on a trench	Farzanah Ebrahim	Internal	2021	Matter dormant.	R1 185 000, 00. plus inter-est from date of judgment	Not Probable	R 1 185000	1 185 000,00	1 185 000,00
148	Jabulani Tholakele Dhlamini/ Msunduzi Mu-nicipality (Case No: 5574/22)	Delictual claim: The Plaintiff is suing the Municipality for an incident wherein the Plaintiff alledges that the Municipal employees cut trees on his property without his consent or authority.	Nelisa Mbambo	External Insurer	2022	Matter is dormant.	R 10 000 000,00 plus interest at the prescribed rate from date of judgement	Not Probable	R10 000 000.00	10 000 000,00	10 000 000,00
149	Mandlethu Civils/ Msunduzi Municipality (Case No: 5253/22)	Contractual claim: A multiplicity of claims arising out of a roadworks contract for work performed ito of the roadworks tender	Farzanah Ebrahim	Mastross Inc	2022	Awaiting assessment of claims inter-nally together with payment schedule.	R 27 000 780.88 plus interest from date of judge-ment	Not Probable	R 27 000 780 .88	27 000 780,88	27 000 780,88
150	Wiseman Bongi Nhlanhla Ngco-bo/ Msunduzi Municipality (Case No: 7471/23)	Delictual claim: The Plaintiff is suing the Municipality for damages suffered as a result of motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2023	Pleadings have closed.	R 34 282.86 plus interest from date of judgement	Not Probable	R 34 282.86	34 282,86	34 282,86
151	Ntombenhle Mathebula/ Msunduzi Mu-nicipality (Case No: 11040/23)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a mo-tor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2023	Pleadings have closed, matter is at pre-trial stage.	R42 882.48 plus interest at 11.75% per annum from 11 August 2023	Not Probable	R42 882.48	53 551,91	47 921,17
152	Udash Jaipal Vather/ Msundu-zi Municipal-ity (Case No: 4916/2023)	Delictual claim: The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with the pothole	Farzanah Ebrahim	Mastross Inc	2023	Plaintiff unilat-erally removed the matter from the pre- trial roll.	R 17 442.00 interest at 7% from date of judgment.	Not Probable	R 17 442.00	17 442,00	17 442,00
153	Dark Fibre Af-rica (PTY) LTD/ Msunduzi Mu-nicipality (Case No:11323/2023)	Delictual Claim: The Plaintiff is suing the Municipality for damages that alleg-edly occurred to the Plaintiff's fibre optic cables	Nelisa Mbambo	GNG Inc	2023	Matter settled as per settle-ment agree-ment dated 5 August 2025 at R 37 704.06.	R75 408.12 plus interest at 11.25% per annum from 5 July 2023	Not Probable	R75 408.12	93 329,33	83 891,53
154	Dark Fibre Africa (Pty) Ltd case No:. 11493/2023)	The Plaintiff is suing the Municipality in respect of damages that alleg-edly occurred to the plaintiff's fibre optic cables.	Farzanah Ebrahim	GNG Inc	2023	Matter settled as per settle-ment agree-ment dated 8 May 2025 on 8 May 2025. SPR 1615174 - pro-cessed on SAP 2425 fin year	R 51 801.55 at 11.25% from 3 August 2023	Not Probable	R 51 801.55	0,00	57 629,22

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155	Dark Fibre Africa (Pty) Ltd/ Msunduzi Municipality (Case No:11495/2023)	Delictual Claim: The Plaintiff is suing the Municipality for damages that allegedly occurred to the Plaintiff's fibre optic cables.	Nelisa Mbambo	GNG Inc	2023	Matter settled as per settlement agreement dated 28 July 2025 at R 60 710.78.	R121 421.55 plus interest at 11.25% per annum from 2 August 2023	Not Probable	R121 421.55	150 278,14	135 081,47
156	Dark Fibre Africa (PTY) LTD/ Msunduzi Municipality (Case No: 2026/2023)	Delictual Claim: The Plaintiff is suing the Municipality for damages that allegedly occurred to the plaintiff's fibre optic cables.	Nelisa Mbambo	GNG Inc	2023	Pleadings have closed. The matter has been set down for trial from 21-22 August 2025.	R90 005.51 plus interest at prescribed rate of 7.75% from 4 November 2023	Not Probable	R90 005.51	104 496,96	96 980,94
157	Dark Fibre Africa (PTY) LTD/ Msunduzi Municipality (Case No: 3096/2023)	Delictual Claim: The Plaintiff is suing the Municipality for damages that allegedly occurred to the Plaintiff's fibre optic cables	Nelisa Mbambo	GNG Inc	2023	Pleadings have closed. The matter is set down for trial from 30-31 October 2025.	R75 223.39 plus interest at 7.75% per annum from 7 November 2022	Not Probable	R75 223.39	87 334,83	81 053,20
158	Ali Asgar/ Msunduzi Municipality (Case No: 2344/23)	Delictual claim: The Plaintiff is suing the Municipality for damages arising to the Plaintiff's vehicle as a result of a burst water pipe	Farzanah Ebrahim	Internal	2023	Matter is defended and Plaintiff has not moved the matter further.	R16 312.01 plus interest at 9% per annum from 12 October 2022	Not Probable	R16 312.01	21 124,53	19 380,30
159	Emmanuel Phoswa/ Msunduzi Municipality (Case No: 5523/23)	Delictual claim: The Plaintiff is suing the Municipality for damages that allegedly occurred as a result of a collision with a pothole	Farzanah Ebrahim	Internal	2023	Matter is defended.	R 20 625.00 plus interest at 10.5% per annum from 3 January 2023	Not Probable	R 20 625.00	25 183,64	22 790,63
160	Vanithan Moodley/ Msunduzi Municipality (Case No: 5215/23)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2023	Pleadings have closed. Matter is at pre-trial stage.	R 20 779.50 plus interest at 8.25% per annum from 14 August 2022	Not Probable	R 20 779.50	26 358,39	24 349,55
161	Phelo Mdingi v Msunduzi Municipality (Case No: 7069/23)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a pothole	Nelisa Mbambo	Internal	2023	Matter settled at R 15 927.69 - PAID BY INSURANCE.	R26 546.14 plus interest at 10.75% from 14 April 2023	Not Probable	R26 546.14	0,00	29 399,85
162	Adhir Baboolal/ Msunduzi Municipality (Case No: 6576/23)	Delictual claim: The Plaintiff is suing the municipality for damages arising from a motor vehicle collision with a Municipal vehicle	Farzanah Ebrahim	Mastross Inc	2023	Inspection in loco and consulation with witnesses to be held.	R44 884.50 plus interest from date of judgement	Not Probable	R44 884.50	44 884,50	44 884,50
163	Ajith Lachman/ Msunduzi Municipality (Case No: 4058/2023)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2023	Pleadings have closed. Matter ongoing.	R47 561.72 plus interest at 9.75% per annum from 2022	Not Probable	R47 561.72	62 874,01	57 288,39
164	Deon Martin Venter/ Msunduzi Municipality (Case No: 8741/23)	Delictual claim: The Plaintiff is suing the Municipality for damages suffered as a result of an alleged motor vehicle collision involving a municipal vehicle	Farzanah Ebrahim	Internal	2023	Municipality has filed and served its plea. R61 389.29 plus interest at 10.50% from 7 September 2023.	Not Probable	R61 389.29	74 957,86	67 835,17	
165	Pranesh Indrajith N.O/ Msunduzi Municipality (Case No: 15452/2023)	The Plaintiff is suing the municipality for rates clearance certificate so that the old municipal account would close and the Plaintiff would be refunded the residual amount	Farzanah Ebrahim	Internal	2023	Matter defended but remains dormant.	R5 238.20. plus interest at the rate of 7.25% per annum from 31 December 2023	Not Probable	R5 238.20	6 025,27	5 617,97
166	Thandukwazi Mkhize/ Msunduzi Munipalicity (Case No: 1923/23)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2023	A notice of intention to defend has been filed in court and served on Plaintiff.	R33 821.40 plus interest from date of judgement	Not Probable	R33 821.40	33 821,40	33 821,40

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167	Sipho Nzimande/ Msunduzi Municipality (Case No: 5651/23)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a collision involving a municipal vehicle	Farzanah Ebrahim	Internal	2023	Matter is defended but remains dormant.	R42 101.63 plus interest at 7.25% per annum from 20 May 2022	Not Probable	R42 101.63	51 938,67	48 427,66
168	Kamaladevi Sheik Ameer/ Msunduzi Municipality (Case No: 3273/2023)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Internal	2023	The matter is defended.	R 126 285.59 plus interest at 10.5% per annnum from 30 January 2023	Not Probable	R 126 285.59	154 197,86	139 545,58
169	Londiwe Thusi/ Msunduzi Municipality (Case No: KZN/PMB/ RC: 929/2023)	Delictual claim: The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a plaintiff stumbled into a trench on a pavement, this occurred within the jurisdiction of the Msunduzi Municipality	Nelisa Mbambo	External Insurer	2023	Matter is defended but remains dormant.	R 400 000 interest at prescribed rate of 11.25% per annum from 15 May 2023	Not Probable	R400 000.00	495 062,50	445 000,00
170	Sandile Khumalo/ Msunduzi Munipalicity (Case No: KZN/PMB/ RC:335/2023)	Delictual claim: The Plaintiff is suing the Municipality for the unlawful and wrongful destruction of his property	Farzanah Ebrahim	Mastross Inc	2023	Consultation to be arranged with witnesses.	R400 000.00 plus interest at 10% per annum from 2 March 2023	Not Probable	R400 000.00	484 000,00	440 000,00
171	Muthusamy Naidoo/ Msunduzi Municipality (Case No:1745/23)	Delictual claim: The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of the Plaintiff falling into a manhole,this occurred within the jurisdiction of the Msunduzi Municipality	Nelisa Mbambo	External Insurer	2023	A notice of intention to defend has been filed in court and served on Plaintiff.	R500 000.00 plus interest at prescribed rate of 10.5% from 15 November 2022	Not Probable	R500 000.00	674 616,31	610 512,50
172	Deenadayalan Pillay/ Msunduzi Municipality (Case No: 9600/23)	Delictual claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Mastross Inc	2023	Awaiting re-scheduling of joint inspection in loco.	R2 588 488.00plus interest at 7.% per annum from 29 April 2021	Not Probable	R2 588 488.00	3 392 979,74	3 171 009,10
173	Pranitha Ramchander/ Msunduzi Municipality (Case No: 9803/2023)	Delictual Claim: Plaintiff is suing the Municipality for damages arising from a motor vehicle collision	Farzanah Ebrahim	Internal	2023	Pleadings have closed.	R 9 510.01 plus interest at 11.25% per annum from 22 June 2023	Not Probable	R9 510.01	11 770,12	10 579,89
174	Mahomed Taahir Noorbhai/ Msunduzi Municipality (Case No: 8708/23)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision involving a municipal vehicle	Farzanah Ebrahim	Internal	2023	Pleadings have closed.	R 27 484.23 plus interest at 11.75% per annum from 10 August 2022	Not Probable	R27 484.23	38 355,37	34 322,48
175	Pamela Archary/ Msunduzi Municipality (Case No: 7059/2023)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Internal	2023	Pleadings have closed. The matter has not moved further.	R33 038.24 plus interest at 10.5% from 12 July 2023	Not Probable	R33 038.24	40 340,52	36 507,26
176	Thavandan Subramanian Marie/ Msunduzi Municipality (Case No: 4371/21)	Delictual Claim: Plaintiff is suing the Municipality for damages arising from poor maintenance to the road surface DUPLICATION SEE NO 109	Farzanah Ebrahim	Mastross Inc	2021	Joint Inspection in Loco to be convened.	R43 061.96 plus interest at 7% per annum from 27 January 2021	Not Probable	R45 498.05	0,00	0,00
177	Markus Johannes Smit/ Msunduzi Municipality (Case No: 2343/23)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2023	Action withdrawn against Defendants.	R50 272.00 plus interest at 9% per annum from 21 September 2022	Not Probable	R50.272.00	0,00	59 728,16

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	MATTER ID	**DESCRIPTION**	**IN-STRUCT-ING OFFICIAL**	**ATTOR-NEY/AD-VOCATE**	**SUMMONS DATE**	**CURRENT STATUS/ PROGRESS**	**QUANTUM**	**PROBABILITY OF OUTFLOW**	**AMOUNT**	**24/25**	**23/24 RESTATED**
178	Ayanda Innocent Ntombela/ Msunduzi Municipality (Case No: 12489/23)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehilce collision involving a municipal vehicle	Farzanah Ebrahim	Internal	2023	Pleadings have closed. Matter is at pre-trial stage.	R62 644.16 plus interest at 11.25% per annum from 8 December 2023	Not Probable	R62644.16	77 531,94	69 691,63
179	Jade Star Trading CC/ Msunduzi Municipality (Case No: 1152/23)	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of services rendered	Farzanah Ebrahim	Siva Chetty & Co	2023	Pleadings have closed. Parties are exchanged pre-trial notices and discovery affidavits.	R 104 364.70 plus interest at 7.75% from 22 June 2022	Not Probable	R104 364.70	130 558,59	121 168,07
180	Kurt Knoop N.O/ Msunduzi Municipality (Case No:12578/23)	Contratual Claim: By the Liquidators of Isizwe Electropak for services rendered	Farzanah Ebrahim	Mastross Inc	2023	Awaiting Plaintiff's declaration so that we may file our plea.	R6 181 108.18 plus interest from date of judgement	Not Probable	R6 181 108-18	6 181 108,18	6 181 108,18
181	Dark Fibre Africa (Pty) Ltd/ Msunduzi Municiplaity (Case No: 773/2024)	Delictual Claim: The Plaintiff is suing the Municipality for damages that allegedly occurred to the Plaintiff's fibre optic cables	Farzanah Ebrahim	GNG Inc	2024	Pleadings have closed. The matter is set down for trial from 3-4 September 2025.	R155 333.88 plus interest at 11.25% per annum from 27 September 2023	Not Probable	R155 333.88	192 249,95	172 808,94
182	Dark Fibre Africa (Pty) Ltd/ Msunduzi Municipality (Case No: 774/2024)	Delictual Claim: The Plaintiff is suing the Municipality for damages that allegedly occurred to the Plaintiff's fibre optic cables	Farzanah Ebrahim	GNG Inc	2024	Matter settled as per settlement agreement dated 7 July 2025 for R23 452.08.	R46 904.16 plus interest at 11.25% per annum from 27 September 2023	Not Probable	R46 904.16	58 051,23	52 180,88
183	Dark Fibre Africa (Pty) Ltd/ Msunduzi Municipality (Case No: 1524/2024)	Delictual Claim: The Plaintiff is suing the Municipality for damages that allegedly occurred to the Plaintiff's fibre optic cables	Farzanah Ebrahim	Internal	2024	Matter settled as per settlement agreement dated 9 July 2025 for R56 656.90.	R94 428.16 plus interest at 11.25% per annum from 16 November 2023	Not Probable	R94 428.16	116 869,60	105 051,33
184	Kastihgaran Naiker/ Msunduzi Municipality (Case No: 2507/24)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Internal	2024	Pleadings have closed. Matter is at pre-trial stage.	R 19 343.01 plus interest at 11.25% per annum from 30 April 2024	Not Probable	R19 343.01	21 519,10	19 343,01
185	Nkosingiphile Nxumalo/ Msunduzi Municipality (Case No: 4633/24)	Delictual Claim: The Plaintiff is suing the Municiplaity for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Mastross Inc	2024	Pleadings have closed.	R 32 732.15 plus interest at 11.75% per annum from 9 February 2024	Not Probable	R32 732.15	36 578,18	32 732,15
186	Amanda Ngobese/ Msunduzi Municipality (Case No: 666/24)	Delictual claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Internal	2024	Notice of intention to defend to b filed and served by Defendant.	R51 959.89 Interest at 10,5% AT 16 June 2023	Not Probable	R51 959.89	63 444,32	57 415,68
187	Reggie Hammond/ Msunduzi Municipality (Case No: 321/2024)	Delictual claim: The Plaintiff is suing the Municipality for damages that occurred to Plaintiff's vehicle as a result of a Plaintiff's vehicle colliding with a Pothole	Farzanah Ebrahim	Internal	2024	Matter defended.	R88 626.31 plus interest at 11.75% per annum from 19 January 2024	Not Probable	R88 626.31	99 039,90	88 626,31
188	Sihle Webster MiyaC Msunduzi Municipality (Case No: KZN/PMB/RC: 592/24)	Delictual Claim: The Plaintiff is suing the Municipality for damages arising as a result of a motor vehicle collision	Nelisa Mbambo	Internal	2024	Matter defended but remains dormant.	R 207 275.60 plus interest at 11.75% per annum from 16 April 2024	Not Probable	R207 275.60	231 630,48	207 275,60
189	Mountain View Community Committee/ Msunduzi Municipality (Case No: 5939/24)	Damages Claim: Plaintiff's are suing the Municipality for the unlawful demolition of structures	Farzanah Ebrahim	Mastross Inc	2024	Matter is defended. To convene a joint inspection in loco.	R419 279.70 plus interest at11,75 per annum from 24 April 2024	Not Probable	R419 279-70	468 545,06	419 279,70

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190	Ingerop (Pty) Ltd / Msunduzi Municipality (Case No: 16897/23)	Claim for Damages: Arising from breach of contract	Farzanah Ebrahim	GNG Inc	2023	Pleadings have closed. The parties have exchanged pre-trial notices. The parties are in the process of exchanging their discovery affidavits.	Claim is for R 932 787.08 plus interest at 10.75% per annum from 24 April 2023	Not Probable	R932 787.08	1 144 115,82	1 033 061,69
191	Stateway Power (Pty) Ltd/ Msunduzi Municipality (Case No: 2912/24)	Applicant is suing the municipality for alleged non-payment for services rendered	Farzanah Ebrahim	Siva Chetty & Co	2024	26 FEB Matter has been set down on the opposed motion roll for 1 September 2025.	Interest at 9% per annum from 30 October 2022 24/25 - R939 428,09	Not Probable	939 428,09	1 216 586,62	2 312 337,42
192	Verosha Bridglal/ Msunduzi Municipality (Case No: 3350/24)	Delictual Claim: The Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2024	Pleadings have closed.	R 2 200.00 plus interest at 8.25% from date of judgment	Not Probable	R2 200	2 200,00	2 200,00
193	Ntombimpela Handrietta Nkwanyana/ Msunduzi Municipality (Case No: 8714/24)	Delictual Claim: Plaintiff is suing the Municiplaity for damages suffered as a result of falling into a manhole	Nelisa Mbambo	External Insurer	2024	Matter with external insurer.	R 974 447.01 plus interest at 11.25% from date of judgement	Not Probable	R 974 447.01	974 447,01	974 447,01
194	Thobekile Bhengu/ Msunduzi Municipality (Case No: 10885/24)	Delictual claim: Plaintiff is suing the Municipality for damages suffered as a result of falling through a sewage hole	Nelisa Mbambo	Mastross Inc	2024	Matter is defended but remains dormant.	R1 000 000 plus interest at 7.5% from 12 July 2024	Not Probable	1 000 000,00	1 075 000,00	
195	Mbeko Nzimande/ Msunduzi Municipality Case No: 10316/24)	Delictual Claim: Plaintiff is suing the Municiplaity for damages arising from unlawful arrest	Nelisa Mbambo	Internal	2024	Matter remains dormant.	R3 000 000 plus interest at 11.75% per annum from 26 February 2024	Not Probable	3 000 000,00	3 352 500,00	
196	Jabulani David Khoza/ Msunduzi Municipality (Case No: 1115/24)	Claim for damages arising from a burst pipe	Nelisa Mbambo	External Insurer	2024	Matter has been Defended. Internal reports remain outstanding.	R450 999 plus interest from date of judgement	Not Probable	450 000,00	450 999,00	
197	Ibraheem Saeed/ Msunduzi Municipality (Case No: 5740/24)	Delictual Claim: Plaintiff is suing the municipality for damages suffered to his motor vehicle	Nelisa Mbambo	External Insurer	2024	Matter defended.	R54 670.64 plus interest at 11.75% per annum from 26 March 2024	Not Probable	R54 670.64	61 094,44	
198	Anusha Maharaj/ Msunduzi Municipality (Case No: 15135/24)	Plaintiff is suing the Municipality for loss of income due to non-approval of a rezoning application	Farzanah Ebrahim	Mastross Inc	2024	Pleadings have closed. Awaiting Plaintiff's Discovery Affidavit.	R22 000 000.00 No Interest claimed	Not Probable	R22 000 000.00	22 000 000,00	
199	Monique Frances/ Msunduzi Municipality (Case No: 7823/24)	Delictual Claim: Plaintiff is suing the Municipality for the damage to his motor vehicle.	Farzanah Ebrahim	Internal	2024	Matter defended.	R37 122.23 plus interest at 11.75% per annum from 12 July 2024.	Not Probable	R37 122.23	41 484,09	
200	Jeanne Louse Van Niekerk/ Msunduzi Municipality (Case No: 7805/24)	Delictual Claim: Plaintiff is suing the Municipality for the damages suffered as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2024	Matter defended.	R12 265.89 plus interest at 11.75% per annum from 27 June 2024	Not Probable	R12 265.89	13 707,13	
201	Ayanda Nzimande/ Msunduzi Municipality (Case No: 8381/24)	Delictual Claim: Plaintiff is suing the Municipality for the damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Internal	2024	Pleadings have closed. Matter is at pre-trial stage.	R37 263.37 plus interest at 11.75% per annum from 14 August 2024	Not Probable	R37 263.37	41 641,82	
202	Dark Fibre (Pty) Ltd/ Msunduzi Municipality (Case No: 7601/24)	Delictual Claim: Plaintiff is suing the Municipality for the damages allegedly suffered to its fibre optic cables	Nelisa Mbambo	Internal	2024	Defendant's Plea was filled on October 2024	R73 671.73 plus interest of 11.25% per annum from June 2024	Not Probable	R73 671.73	81 959,80	
203	Dr Zoleka Nconyini- Manciya/ Msunduzi Municipality (Case No: 9977/24)	Delictual Claim: Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision	Nelisa Mbambo	External Insurer	2024	Matter defended.	R180 699.10 plus interest at 9.75% per annum from 9 December 2022	Not Probable	R180.699.10	238 874,38	

CONTINGENT LIABILITIES AS AT JUNE 2025 (Figures in Rand)											
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204	Servipro 100 CC/ Msunduzi Municipality (Case No: 11375/24)	Contractual Claim: Plaintiff is suing the municipality for termination of a contract	Farzanah Ebrahim	Mastross Inc	2024	Appearance to defend filed. Awaiting documents from SCM and finance.	R 1 607 525.79 plus interest at 11.75% from 20 May 2024	Not Probable	R 1 607 525.79	1 796 410,07	
205	Steiner Hygiene (Pty) Ltd/ Msunduzi Municipality (Case No: 9370/24)	Delictual Claim: Plaintiff is suing the Municipality for damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Internal	2024	Pleadings have closed.	R144 070.34 plus interest at 10.75% per annum from 24 April 2023	Not Probable	R144.070.34	176 710,38	
206	Thanduxolo Godfrey Gabuza/ Msunduzi Municipality (Case No: 9185/24)	Delictual Claim: Plaintiff is suing the Municipality for the damages suffered as a result of a motor vehicle collision	Farzanah Ebrahim	Internal	2024	Pleadings have closed.	R57 873.33 plus interest at 11.25% per annum calculated from 17 October 2024	Not Probable	R57 873.33	64 384,08	
207	Nomfundo Mbatha/ Msunduzi Municipality (Case No: 10157/24)	Monetary Claim: Plaintiff is suing the Municipality for unlawful salary deductions	Farzanah Ebrahim	Internal	2024	Pleadings have closed. The matter is at pre-trial stage.	R60 075.00 plus interest at 7% per annum from June 2021	Not Probable	R60 075.00	78 746,07	
208	Ashenee Rajkumar/ Msunduzi Municipality (Case No: KZN/PMB/RC: 1769/2024)	Delictual Claim: Plaintiff is suing the Municipality for the damages to her motor vehicle as a result of a motor vehicle collision	Nelisa Mbambo	External Insurer	2024	Matter is defended.	R225 669.04 plus interest from date of judgment	Not Probable	225 669,04	225 669,04	
209	Fleet Horizon Solutions/ Msunduzi Municipality - Insurance Matter	Delctual Claim: Plaintiff is suing the Municipality for the damages suffered as a result of a motor vehicle collision involving a Municipal vehicle	Farzanah Ebrahim	Internal	2025	Matter defended.	R10 506,83 at11.25 %p.a	Not Probable	10 506,83	10 506,83	
210	Openserve/ Msunduzi Municipality (Case No: 1089/25)	Plaintiff is suing the Municipality for damage to its fibre optic cables	Farzanah Ebrahim	Mastross Inc	2025	Matter is defended. Information required to amend plea.	R31 847.58 interest at 11.5% from date of judgement	Not Probable	31 847,58	31 847,58	
211	Openserve/ Msunduzi Municiaplity) (Case No: 1090 /25)	Plaintiff is suing the Municipality for damage to its fibre optic cables	Farzanah Ebrahim	Mastross Inc	2025	Matter defended. Information required to amend plea.	R57339.17 interest at 11.5% from date of judgement	Not Probable	57 339,17	57 339,17	
212	Egxeni Engineering CC/ Msunduzi Municipality (Case No: 2030/25)	Contractual Claim: Plaintiff is suing the municipality for monies withheld for payment for services.	Farzanah Ebrahim	Internal	2025	Matter defended. Set down for summary judgment application on 21 July 2025.	R437 994.09 at 11.75% 4 March 2024	Not Probable	537 994,04	489 458,40	
213	Faith Gcinile Biyela/ Msunduzi Municipality (Case No: 121/25)	Delictual Claim: Plaintiff is suing the Municipality for damages to his motor vehicle as a result of a motor vehicle collision with a pothole	Farzanah Ebrahim	Internal	2025	Pleadings have closed.	R29 661.91 plus interest at 7% per annum from 23 August 2022	Not Probable	R29 661.91	36 337,12	
214	Dennis Luthuli/ Msunduzi Municipality Insurance Matter	Delictual Claim: Plaintiff is suing the Municipality for damages suffered to his motor vehicle as a result broken road surfaces	Farzanah Ebrahim	Internal	2025	Matter defended.	R 22 119.53 interest from date of demand, 17 January 2025, 11,25%	Not Probable	R 22 119.53	22 119,53	
215	Ashenee Rajkumar N.O/ Msunduzi Municipality (Case No: KZN/PMB/RC: 502/2025)	Delictual Claim: Plaintiff is suing the Municipality for damages suffered to the deceased's motor vehicle as a result of potholes	Nelisa Mbambo	Internal	2025	Matter is defended.	R 225 669.04 plus interest from date of judgement	Not Probable	R 225 669.04	225 669,04	
216	Felix Nxumalo/ Msunduzi Municipality (Case No: 4702/25)	Delictual Claim: The Plaintiff is suing the Municipality vicariously for actions and omissions committed by Mr Mapholoba the previous Municipal Manager	Kevin Perumal	GNG Inc	2025	The matter is defended.	R 12 944 016.16 plus interest from date of judgment	Not Probable	R 12 944 016.16	12 944 016,16	

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217	ME Nombun-go/ Msunduzi Municipality Insurance Matter	The Plaintiff is suing the Municipality vicariously for ac-tions and omissions committed by Mr Mapholoba	Kevin Perumal	Siva Chetty & Co	2025	Diarised for filing of notice of intention to defend.	R 16 199 370.54 interest from date of judgment	Not Probable	R 16 199 370.54	16 199 370,54	
										197 568 957,28	**176 243 869,56**

CONTINGENT ASSETS AS AT 30 JUNE 2025 (Figures in Rand)											
	MATTER ID	DESCRIPTION	INSTRUCT-ING OFFI-CIAL	ATTORNEY/ ADVOCATE	SUM-MONS DATE	CURRENT STATUS/ PROGRESS	Judgement/ Court Order date	QUANTUM	PROBA-BILITY OF OUTFLOW	2024/2025	2023/2024 RESTATED
1	Msunduzi Mu-nicipality /Vu-sumuzi Gerald Phungula (Case No: KZN/PMB/ RC: 1259/22) (Matter with-drawn)	Claim for damages arising as a result of the Defendants alleged miscon-duct.	FARZANAH EBRAHIM	GNG Inc.	2022	Summons was issued against the Defendant however service could not be effected as the Defendant is deceased. As per the Letters of Authority, the only asset in the estate was an Old Mutual Policy to the value of R 11 978.00. The action has been withdrawn as the estate has no equity to pay the claim.	29 MAY 2025 WITHDRAWN	R509 330.23 interest at 7.25% from	Not probable	-	509 330
2	Msunduzi Mu-nicipality /Mbu-so Ezrah Loid Hlope (Case No: KZN/PMB/ RC1285/22)	Claim for damages arising as a result of the Defendants alleged miscon-duct.	FARZANAH EBRAHIM	GNG Inc.	2022	Default Judgment was granted on 17 August 2023. Warrant of Execution was unsuccessful. Section 65A Notice was issued to allow a financial enquiry to be proceed by the court. Awaiting such date.		R362 732.90 interest at 7.25% from 8 September 2022	Not probable	362 733	362 733
3	Msunduzi Municipality / Jabulani Thabowakhe Mbambo (Case No: KZM/PMB/ RC: 2711/22)	Claim for damages arising as a result of the Defendants alleged miscon-duct.	FARZANAH EBRAHIM	GNG Inc.	2022	Matter is defended. Plead-ings have closed and both parties have discovered. A Rule 37(4) conference between the parties is to be scheduled.		R564 940.02 interest at 9% from 24 Janu-ary 2023	Not probable	564 940	564 940
4	Msunduzi Mu-nicipality/Has-san Ebrahim Amoo (Case No: KZN/PMB/ RC: 307/22)	Claim for damages arising as a result of the Defendants alleged miscon-duct.	FARZANAH EBRAHIM	Grant and Swanepoel	2022	Summons has been issued and served. Pleadings have closed and both parties have discovered. A rule 37(4) conference needs to be scheduled.		R333 082.83 interest at 7% from 23 August 2022	Not probable	333 083	333 083
5	Msunduzi Mu-nicipality/ Alfred Thembinkosi Zondo (Case No: 10328/22)	Claim for damages arising as a result of the Defendants alleged miscon-duct.	FARZANAH EBRAHIM	Grant and Swanepoel	2022	Summons has been issued and served on the Defendant. An application for default judgment has been prepared. There are outstanding documents required to finalise same.		R475 790.97 interest at 7% from 9 September 2022	Not probable	475 791	475 791
6	Msunduzi Municipality/ Beauty Lindiwe Mthethwa (Case No: 11909/22)	Claim for damages arising as a result of the Defendants alleged miscon-duct.	FARZANAH EBRAHIM	Grant and Swanepoel	2022	Summons has been issued and served on the Defend-ant. Pleadings have closed. The Defendant needs to discover.		R11 409.40 interest at 7% from 18 August 2022	Not probable	11 409	11 409
7	Msunduzi Mu-nicipality/ The SA Incinerator Company Case no 5422/2015	Delictual Claim for damages. Action instituted in the High Court, Pietermaritzburg under case number 5422/2015	Dudu Ndlovu (SCM)	Matthew Francis	2015	Pre-trial procedure underway		R6 793 472.74	Not probable	6 793 473	6 793 473
8	Msunduzi Municipality/ Andile Cyprian Mkhize (Case No: 1892/23)	Claim for damages arising as a result of the Defendants alleged miscon-duct.	FARZANAH EBRAHIM	Mathew Francis Inc.	2023	Summons has been issued. We were notified by Grant and Swanepoel Attorneys that they have already issued summons against Mr Mkhize in relation to the same claim during 2022, and that pleadings in that action have already closed. We also received correspond-ence from the Attorneys acting for Mr Mkhize who confirm receipt of the summons and enquired on the duplication of the action. We have arranged to discuss this matter with both our attorneys in an attempt to determine a way forward in the matter.		R 752 589.84 interest at 9% from March 2023	Not probable	752 590	752 590

CONTINGENT ASSETS AS AT 30 JUNE 2025 (Figures in Rand)											
	MATTER ID	**DESCRIPTION**	**INSTRUCTING OFFICIAL**	**ATTORNEY/ ADVOCATE**	**SUMMONS DATE**	**CURRENT STATUS/ PROGRESS**	**Judgement/ Court Order date**	**QUANTUM**	**PROBABILITY OF OUTFLOW**	**2024/2025**	**2023/2024 RESTATED**
9	Msunduzi Municipality/ Clive Otis Lotz and 1 other (Case No: 6913/21)	Claim for damages arising as a result of irregular expenditure.	FARZANAH EBRAHIM	Matthew Francis Inc.	2021	Summons was issued and served against the First Defendant only. Pleadings have closed. The parties are exchanging pre-trial notices.		R1 649 973.51 interest at 7% from 27 August 2021	Not probable	1 649 974	1 649 974
10	Msunduzi Municipality/ Steven Dhathen Naick & 2 others (Case No: 3833/21)	Claim for damages arising as a result of the Defendants alleged misconduct.	FARZANAH EBRAHIM	Matthew Francis Inc.	2021	Summons was issued and served. Pleadings have closed. Statement of issues to be filed. Counsel to provide opinion on prospects of success.		R23 377 000.00 interest at 10% from 8 June 2021	Not probable	23 377 000	23 377 000
11	Msunduzi Municipality/ T Ndaonde (Case No: 768/22)	Claim for damages arising as a result of the Defendants alleged misconduct.	FARZANAH EBRAHIM	Matthew Francis Inc.	2022	Judgment has been granted, however, the sheriff was unable to attach any of the debtors property to satisfy the judgment. A payment arrangement has been proposed to the debtor, but the debtor has been evasive to meeting requests.		R 37 129.75 interest at 10.5% from March 2022	Not probable	37 130	37 130
12	Msunduzi Municipality/ MB Mbanjwa (Case No: 11202/21)	Claim for damages arising as a result of the Defendants alleged misconduct.	FARZANAH EBRAHIM	Matthew Francis Inc.	2022	Summons was issued and served. Pleadings have closed. Matter is at the pre-trial stage.		R 1 434 280.21 interest at 10.5% from March 2022	Not probable	1 434 280	1 434 280
13	Msunduzi Municipality/ Nomzamo Precious Tshabalala (Case No: 2452/23)	Claim for damages arising as a result of the Defendants alleged misconduct.	FARZANAH EBRAHIM	Matthew Francis Inc.	2023	The combined summons was served on the Defendant. The particulars of claim was amended. An interlocutory application to compel was brought and succeeded. Pleadings in the main action have closed and the parties are exchanging pre-trial notices.		R141,390.71 interest at 9% from 11 December 2023	Not probable	141 391	141 391
14	Msunduzi Municipality/ EOH	Action against the Defendant for damages arising for contractual non-performance and repudiation	FARZANAH EBRAHIM	Mdledle Incorporated	2019	A request for funding of the Arbitration of this matter has been sent to council. Awaiting a date for a pre-arbitration meeting.		R 190 472 807.10 interest at 10.25% from 26 November 2021	Not probable	190 472 807	190 472 807
15	Msunduzi Municipality/ Inzama Contractors (Case No: 4889/23)	Failure of the Service Provider to pay the Municipality for each timber compartment harvested. A portion of the plantation was sold through a deviation for total amount of R18.91 million. The Municipality failed to collect the total amount from the buyer resulting in R13.91 million remaining uncollected.	FARZANAH EBRAHIM	Siva Chetty and Co.	2023	Pleadings have closed. An application to strike out the defence has been adjourned to 19 August 2025 for the Respondent to show cause why a final order should not be made.		R13 058 186.90 interest at 9% from 14 September 2022 and R 1 000 000.00 interest at 10.75% from 4 April 2023	Not probable	14 058 187	14 058 187
16	Msunduzi Municipality/ IXS Mchunu (Case No: 3950/22)	Claim for damages arising as a result of the Defendants alleged misconduct.	FARZANAH EBRAHIM	Siva Chetty and Co.	2022	Summons has been issued. Application for Default Judgement is in the process.		R76 753.90 interest at 7.5% from 22 April 2023	Not probable	76 754	76 754
17	Msunduzi Municipality/ DS Phungula and 4 others (Case No: 3904/23)	The Acting Foreman, supervisors and drivers stationed at Edendale Depot abused the overtime system for self-enrichment.	FARZANAH EBRAHIM	Siva Chetty and Co.	2023	Default Judgment was granted. Judgment letters to be sent via registered post and recovery to commence, with a financial enquiry to commence.		R36 091.86	Not probable	36 092	36 092
18	Msunduzi Municipality/ Nkosinathi Chase well Nhlakanipho Gambu - (Case No: 4218/24)	Claim for damages arising from Defendant's receipt of remuneration whilst incarcerated.	FARZANAH EBRAHIM	Siva Chetty and Co.	2024	Default Judgment Application has been drafted. Trying to locate court file		R606 382.50 interest at 11.75% from 5 April 2024	Not probable	606 382	606 382
										240 577 633	**241 086 963**

82. Variance analysis comparison of budget against actual

Reasons are only provided for variances above 10%

Account Balance / Transaction / Disclosure	Current year-to-date actual amount as at: 30 June 2025	Current year budget amount, as per approved budget	Current year budget adjustment	Current year budget final amount	Difference between current year actual and final budget - R	Difference between current year actual and final budget - %	Explanation for significant fluctuations
STATEMENT OF FINANCIAL PERFORMANCE							
Revenue by Source							
Service charges - electricity	3 446 703 306	4 297 825 065	(73 467 095)	4 224 357 970	(777 654 664)	(18%)	The variance is due to lower tariffs being approved after approval of the Budget by NERSA hence revenue was adjusted downwards.
Service charges - water	1 116 556 874	1 009 760 082	-	(1 009 760 082)	106 796 792	11%	The variance is due to lower tariffs being approved after approval of the Budget
Service charges - waste water management	246 394 651	220 724 860	-	(220 724 860)	25 669 791	12%	The variance is due to lower tariffs being approved after approval of the Budget
Service charges - waste management	158 733 588	155 390 777	-	(155 390 777)	3 342 81	12%	Within an acceptable range.
Rental from fixed assets	31 377 367	113 961 629	-	(113 961 629)	(82 584 262)	(72%)	The budgeted figure relates to housing rental stock and the variance is due to the expected revenue not being reached due to low quality of our rental stock to attract customers.
Interest earned from current and non current assets	34 134 776	19 135 147	-	(19 135 147)	14 999 629	78%	The variance is due to the general reserves being relatively bolsted in 2024/2025 compared to 2023/2024, the ring fence DBSA loan account also enhanced the interest earning capacity, and the average number of days with positive call accounts balances were higher compared to the previous year. Consequently, investment revenue is higher than 2023/2024 and the budgeted figure.
Interest received from receivables	426 881 731	230 681 790	100 000 000	330 681 790	96 199 941	29%	This interest is charged on consumers with service charges overdue balances. The variance is in line with the increase in the gross debtors balance.
Licences and permits	2 127 136	2 546 799	-	(2 546 799)	(419 663)	(16%)	This is a secondary revenue source on which the revenue generated is dependent on customer's needs. The variance is due to the difficulty in accurately estimating this amount.
Agency services	3 013 565	764 826	-	(764 826)	2 248 7392	94%	This is a sundry revenue which is dependant on services that the municipality renders on behalf of other organisations. The variance is due to the difficulty in accurately estimating this amount.
Other gains	44 964 085	-	-	-	44 964 085	100%	The variance is due to the budgeted figure being included in the budget relating to other revenue.
Operational revenue	38 520 342	204 124 220	-	(204 124 220)	(165 603 878)	(81%)	The variance is due to the budgeted figure including any revenue from the sale of goods and rendering of services.
Sale of goods and rendering of services	15 043 162	42 042 838	-	(42 042 838)	(26 999 676)	(64%)	The variance is due to the budgeted figure being included in the budget relating to other revenue.
	5 564 450 583	**6 296 958 033**	**26 532 905**	**6 323 490 938**	**(759 040 355)**		

Account Balance / Transaction / Disclosure	Current year-to-date actual amount as at: 30 June 2025	Current year budget amount, as per approved budget	Current year budget adjustment	Current year budget final amount	Difference between current year actual and final budget - R	Difference between current year actual and final budget - %	Explanation for significant fluctuations
Non-exchange revenue							
Taxation revenue							
Property rates	1 696 664 604	1 649 352 521	-	1 649 352 521	47 312 08	33%	Within an acceptable range.
Interest	135 058 566	59 562 303	-	59 562 303	75 496 263	127%	The variance is due to consumers defaulting on property rates payments.
Transfer revenue							
Transfers and subsidies	1 372 777 176	1 403 318 041	81 095 965	1 484 414 006	(111 636 830)	(8%)	Within an acceptable range.
Fines, penalties and forfeits	20 017 690	11 687 217	-	11 687 217	8 330 473	71%	This is a secondary revenue source on which the revenue generated is dependant on offences. The variance is due to the difficulty to accurately estimate this figure. The actual Sec 341 and 56 Traffic Fines issued were higher than envisaged. The increase is attributable to intensifying traffic law enforcement operations and the increasing visibility of law enforcement in an effort to restore law and order on the City's roads.
Total revenue from non-exchange transactions	**3 224 518 036**	**3 123 920 082**	**81 095 965**	**3 205 016 047**	**19 501 989**		
Total revenue	**8 788 968 619**	**9 420 878 115**	**107 628 870**	**9 528 506 985**	**(739 538 366)**		
Expenditure By Type							
Employee related costs	(1 718 126 431)	(1 860 538 235)	100 982 488	(1 759 555 747)	41 429 316	(2%)	Within an acceptable range.
Remuneration of councillors	(58 382 287)	(66 461 931)	6 003 000	(60 458 931)	2 076 644	(3%)	Within an acceptable range.
Debt impairment	(1 231 878 009)	(636 000 000)	(602 003 000)	(1 238 003 000)	6 124 991	0%	Within an acceptable range.
Depreciation and amortisation	(337 898 615)	(363 040 744)	19 977 000	(343 063 744)	5 165 129	(2%)	Within an acceptable range.
Interest	(112 366 200)	(42 824 931)	(69 562 252)	(112 387 183)	20 983	0%	Within an acceptable range.
Bulk purchases - electricity	(3 061 987 658)	(3 145 118 900)	79 000 000	(3 066 118 900)	4 131 24	20%	Within an acceptable range.
Inventory consumed	(1 167 322 597)	(993 409 214)	(192 990 269)	(1 186 399 483)	19 076 886	(2%)	Within an acceptable range.
Contracted services	(924 004 140)	(1 024 663 415)	67 684 218	(956 979 197)	32 975 057	(3%)	Within an acceptable range.
Transfers and subsidies	(1 954 117)	(52 375 752)	45 000 000	(7 375 752)	5 421 635	(74%)	This variance is due to cost containment measures..
Irrecoverable debts written off	(8 967 184)	-	(12 000 000)	(12 000 000)	3 032 816	(25%)	The budgeted figure varies due to the nature of how bad debts are written off. These are based on revenue enhancement measures.
Other losses	(15 562 069)	-	(19 000 000)	(19 000 000)	3 437 931	(18%)	This variance is due to cost containment measures..
Operational costs	(270 265 341)	(195 836 780)	(101 186 798)	(297 023 578)	26 758 237	(9%)	Within an acceptable range.
Total expenditure	**(8 908 714 648)**	**(8 380 269 902)**	**(678 095 613)**	**(9 058 365 515)**	**149 650 867**		
Surplus/(Deficit) for the year	**(119 746 029)**	**1 040 608 213**	**(570 466 743)**	**470 141 470**	**(589 887 499)**		

82. Variance analysis comparison of budget against actual

Reasons are only provided for variances above 10%

Account Balance / Transaction / Disclosure	Current year-to-date actual amount as at: 30 June 2025	Current year budget amount, as per approved budget	Current year budget adjustment	Current year budget final amount	Difference between current year actual and final budget - R	Difference between current year actual and final budget - %	Explanation for significant fluctuations
STATEMENT OF FINANCIAL POSITION							
Classes of assets							
Current assets	3 121 368 762	4 115 867 937	147 569 976	4 263 437 913	(1 142 069 151)	(27%)	The reason for changes between the original budget and Final Budget of the Statement of financial position items is due to the fact that at the time of preparing the budget , the Adjustments budget for that year is used as a base as well as the latest afs for preparation, at the time of preparing the Adjustments Budget , Audited AFS are used as a base for projecting the final adjusted figure which is the most reliable information to project the balance sheet items.
Non-Current Assets	9 000 126 618	10 134 185 353	-	10 134 185 353	(1 134 058 735)	(11%)	The reason for changes between the original budget and Final Budget of the Statement of financial position items is due to the fact that at the time of preparing the budget , the Adjustments budget for that year is used as a base as well as the latest afs for preparation, at the time of preparing the Adjustments Budget , Audited AFS are used as a base for projecting the final adjusted figure which is the most reliable information to project the balance sheet items.
Classes of liabilities							
Current Liabilities	3 356 329 031	2 374 399 682	-	2 374 399 682	981 929 349	41%	The variance is due to the transfers payable that arise from the housing projects managed on behalf on DOHS and the increase in bulk purchases of electricity along with increased tarriffs and arrears accumulated.
Non-Current Liabilities	2 075 428 415	1 223 486 024	-	1 223 486 024	851 942 391	70%	The variance is due to the increase in the leave pay of staff on exit, the increase in long service pay to staff and the projection of the Municipality's long-term portion of the loan amount.
Reserves							
Reserves	6 689 737 934	10 652 167 584	147 569 976	10 799 737 560	(4 109 999 626)	(38%)	The variance is due to the decrease in accumulated surplus and reserves.
STATEMENT OF CASH FLOWS							
Cash flows from operating activities							

Receipts	7 391 734 910	8 380 557 327	(77 529 763)	8 303 027 564	(911 292 654)	(11%)	This variance is due to less than budgeted revenue collected.
Payments	(6 536 823 789)	(7 804 339 275)	340 746 126	(7 463 593 149)	926 769 360	(12%)	This variance is due to less than budgeted payments made due to cost cutting measures implemented.
Cash flows from investing activities							
Net cash flows from investing activities	(788 247 121)	(826 763 940)	(99 278 484)	(926 042 424)	137 795 303	(15%)	This variance is due to cash flow constraints and therefore is less than the budgeted figure.
Cash flows from financing activities							
Net cash flows from financing activities	184 004 494	144 315 856	-	144 315 856	39 688 638	28%	This variance is due to the repayment of a long-term loan and less than budgeted inflows.

MSUNDUZI MUNICIPALITY AND ITS MUNICIPAL ENTITY

APPENDIX A

	COST/VALUATION										ACCUMULATED DEPRECIATION					Accumulated Impairment			
	Cost 01/07/2025	Valuation 01/07/2025	AUC 01/07/2025	Cost/Valuation 01/07/2025	Additions	Fair value gains / (losses)	Transfers/ Adjustments	Additions AUC	Derecognition	Balance 30/06/2025	Balance 01/07/2024	Depreciation 2024/25	Derecognition	Adjustments/ Transfers	Balance 30/06/2025	Balance 01/07/2024	Impairment 2024/25	Balance 30/06/2025	Carrying Value
Land And Buildings																			
Land	712 335 740,99	-	-	712 335 740,99	898 714,70	-	-	-	-454,50	711 436 571,79									711 436 571,79
Building	496 573 149,39	-	-	496 573 149,39	-	-	24 278 654,42	6 846 482,52	-	527 698 286,33	- 365 702 601,26	- 9 641 620,70	-	-	- 375 344 221,96	-1 251 025,47	-27 966,54	-1 278 992,01	151 075 072,36
Total Land And Buildings	**1 208 908 890,38**	**-**	**-**	**1 208 908 890,38**	**-898 714,70**	**-**	**24 278 654,42**	**6 846 482,52**	**-454,50**	**1 239 134 858,12**	**-365 702 601,26**	**-9 641 620,70**	**-**	**-**	**-375 344 221,96**	**-1 251 025,47**	**-27 966,54**	**-1 278 992,01**	**862 511 644,15**
Infrastructure																			
ELECTRICITY RETICULATION	4 374 860,56		-	4 374 860,56		-	-	-	-	4 374 860,56	-715 983,29	-103 978,55	-	-	-819 961,84	-	-	-	3 554 898,72
HV OVERHEAD LINES	65 963 415,63		-	65 963 415,63	-	-	-	-	-	65 963 415,63	-52 381 233,73	-2 626 094,59	-	-	-55 007 328,32	-	-	-	10 956 087,31
HV SUBSTATIONS	410 620 399,64		-	410 620 399,64	-	-	-	-	-	410 620 399,64	-174 077 465,80	-10 851 549,05	-	-	-184 929 014,85	-9 811 749,71	-	-9 811 749,71	215 879 635,08
HV UNDERGROUND CABLES	75 208 202,92		-	75 208 202,92	-	-	-	-	-	75 208 202,92	-17 923 934,07	-1 870 161,78	-	-	-19 794 095,85	-	-	-	55 414 107,07
LV STREET LIGHTING	188 665 436,23		-	188 665 436,23	-	-	329 329,14	3 736 499,30	-	192 731 264,67	-63 355 745,91	-5 054 428,97	-	-	-68 210 174,88	-73 691,79	-23 433,83	-97 125,62	124 423 964,17
MV GROUND MOUNTED TRANSFORMERS	66 400 957,08		-	66 400 957,08	2 990 362,51	-	27 169 831,14	6 989 495,04	-	103 550 645,77	-27 053 257,82	-2 453 559,02	-	-	-29 506 816,84	-54,79	-12 879,32	-12 934,11	74 030 894,82
MV MINI SUBSTATIONS	135 690 740,21		-	135 690 740,21	-	-	3 618,23	15 642 846,51	-20,00	151 337 184,95	-81 912 584,44	-4 087 557,68	3,60	-	-86 000 138,52	-670 189,70	-	-670 189,70	64 666 856,73
MV OVERHEAD LINES	90 789 717,70		-	90 789 717,70	-	-	16 726 522,28	6 909 796,58	-	114 426 036,56	-23 010 106,23	-1 863 266,65	-	-	-24 873 372,88	-	-32 066,21	-32 066,21	89 520 597,47
MV POLE MOUNTED TRANSFORMERS	71 954 052,12		-	71 954 052,12	15 480 600,00	-	-	5 096 481,34	-	92 531 133,46	-16 295 059,10	-1 985 126,16	-	-	-18 280 185,26	-19 569,24	-	-19 569,24	74 231 378,96
MV RING MAIN UNIT	90 631 166,00		-	90 631 166,00	38 505 400,28	-	-	510 837,08	-	129 647 403,36	-23 608 027,18	-2 636 315,79	-	-	-26 244 342,97	-22 361,53	-25 510,61	-47 872,14	103 355 188,25
MV SUBSTATIONS	268 921 513,69		-	268 921 513,69	-	-	6 989 137,43	1 940 276,21	-997,55	277 849 929,78	-104 451 524,26	-16 390 653,03	847,30	-	-120 841 329,99	-2 150 961,48	-507 241,28	-2 658 202,76	154 350 397,03
MV UNDERGROUND CABLES	751 644 535,52		-	751 644 535,52	-	-	18 145 542,34	10 208 673,81	-	779 998 751,67	-548 259 425,73	-28 207 841,49	-	-	-576 467 267,22	-1 630 590,19	-724 331,55	-2 354 921,74	201 176 562,71
Total Electricity	**2 220 864 997,30**	**-**	**-**	**2 220 864 997,30**	**56 976 362,79**	**-**	**69 363 980,56**	**51 034 905,87**	**-1 017,55**	**2 398 239 228,97**	**-1 132 844 347,56**	**-78 130 532,76**	**850,90**	**-**	**-1 210 974 029,42**	**-14 379 168,43**	**-1 325 462,80**	**-15 704 631,23**	**1 171 560 568,32**
AIRPORT RUNAWAY	73 574 385,72		-	73 574 385,72	-	-	-	-	-	73 574 385,72	-53 753 286,09	-1 446 180,84	-	-	-55 199 475,93	-	-	-	18 374 909,79
BRICK ROADS	149 073 497,10		-	149 073 497,10	-	-	-	-	-	149 073 497,10	-54 346 912,72	-3 005 264,01	-	-	-57 352 176,73	-254 947,43	-	-254 947,43	91 566 372,94
BRIDGES AND TUNNELS	437 027 744,08		-	437 027 744,08	-	-	9 175 642,06	17 499 145,47	-	463 702 531,61	-135 609 525,30	-13 369 706,87	-	-	-148 979 232,17	-189 305,49	-595 078,68	-784 384,17	313 938 915,27
CONCRETE ROADS	268601567,3		-	268 601 567,27	-	-	34029969,48	29083235,66	-	331 714 772,41	-32691937,37	-3790998,8	-	-	-36 482 936,17	-1918871,89	-30650,14	-1 949 522,03	293 282 314,21
GRAVEL ROADS	132448696,6		-	132 448 696,64	-	-	786718,33	1417149,05	-21488	134 631 076,02	-122917903,9	-12048885,62	21277,45	-	-124 101 512,11	-	-631,05	-631,05	10 528 932,86
ROAD SIGNAGE	205 283,18		-	205 283,18	-	-	-	-	-	205 283,18	-77 002,18	-10 256,00	-	-	-87 258,18	-	-	-	118 025,00
SIGNALISED INTERSECTIONS	109386770		-	109 386 769,98	-	-	354037,89	850809,08	-	110 591 116,95	-58998336,32	-4690304,05	-	-	-63 688 640,37	-477 364,33	-1 300,07	-478 664,40	46 423 792,18
TARRED ROADS	2609791338		-	2 609 791 337,92	-	-	6259708,42	12031235,1	-	2 792 701 181,44	-1184198072	-38815018,96	-	-	-1 423 013 090,52	-10831822,25	-349407,3	-11 181 229,55	1 358 506 861,37
Total Roads	**3 780 109 281,89**	**-**	**-**	**3 780 109 281,89**	**-**	**-**	**106 943 876,18**	**169 162 174,36**	**-21 488,00**	**4 056 193 844,43**	**-1 842 492 995,48**	**-66 332 624,15**	**21 277,45**	**-**	**-1 908 804 342,18**	**-13 672 311,39**	**-977 067,24**	**-14 649 378,63**	**2 132 740 123,62**
BULKSEWERS	104 815 676,24		-	104 815 676,24	-	-	-	-	-25,82	104 815 650,42	-42 255 742,30	-3 101 454,40	18,65	-	-45 357 178,05	-1 638 885,75	-	-1 638 885,75	57 819 586,62
PUMPSTATIONS	12 228 896,18		-	12 228 896,18	-	-	347 826,29	-	-17,54	12 576 704,93	-8 548 856,45	-237 594,63	16,27	-	-8 786 434,81	-82 821,28	-	-82 821,28	3 707 448,84
SEWER RETICULATION	738 160 261,47		-	738 160 261,47	-	-	21 377 526,57	18 766 171,43	-45,10	778 303 914,37	-239 974 521,93	-24 006 417,35	32,32	-	-263 980 906,96	-193 766,95	-33 390,07	-227 157,02	514 095 850,39
SEWER TREATMENT WORKS	64 742 053,31		-	64 742 053,31	-	-	-	-	-	64 742 053,31	-4 601 153,88	-636 342,62	-	-	-5 237 496,50	-2 315 375,91	-	-2 315 375,91	57 189 180,90
Total Sanitation	**919 946 887,20**	**-**	**-**	**919 946 887,20**	**-**	**-**	**21 377 526,57**	**19 113 997,72**	**-88,46**	**960 438 323,03**	**-295 380 274,56**	**-27 981 809,00**	**67,24**	**-**	**-323 362 016,32**	**-4 230 849,89**	**-33 390,07**	**-4 264 239,96**	**632 812 066,75**
PUMPSTATIONS	18 645 523,04		-	18 645 523,04	-	-	498 004,12	2 023 735,06	-	21 167 262,22	-3 001 738,50	-189 934,74	-	-	-3 191 673,24	-986 507,85	-	-986 507,85	16 989 081,13
RESERVOIRS	240 179 134,82		-	240 179 134,82	-	-	50 073 764,66	2 977 784,15	-599,13	302 230 084,50	-132 349 970,28	-6 569 906,12	548,82	-	-138 819 327,58	-3 483 820,18	-381 869,12	-3 865 689,30	159 545 067,62
WATER METERS	124 202 398,12		-	124 202 398,12	-	-	-	-	-1 306,69	124 201 091,43	-48 284 524,14	-8 010 368,61	1 246,77	-	-56 303 645,98	-1 032 223,07	-	-1 032 223,07	66 865 222,38
WATER RETICULATION	572 259 775,52		-	572 259 775,52	-	-	57 026 978,39	3 238 222,12	-1 266,45	632 523 709,58	-256 433 203,70	-14 516 456,24	1 133,11	-	-270 948 526,83	-22 445 316,94	-74 794,71	-22 520 111,65	339 055 071,10
WATER SUPPLY BULK WATER PIPELINES	370 995 365,18		-	370 995 365,18	-	-	31 830 677,57	20 333 969,52	-	423 160 012,27	-254 435 412,08	-8 332 471,67	-	-	-262 767 883,75	-39 869 028,52	-	-39 869 028,52	120 523 100,00
WATER SUPPLY PRESSURE REDUCE VALVES	2 469 373,77		-	2 469 373,77	-	-	-	-	-	2 469 373,77	-1 510 610,96	-38 238,44	-	-	-1 548 849,40	-	-	-	920 524,37
Total Water	**1 337 751 570,45**	**-**	**-**	**1 337 751 570,45**	**-**	**-**	**139 429 424,74**	**28 573 710,85**	**-3 172,27**	**1 505 751 533,77**	**-695 925 459,66**	**-37 657 375,82**	**2 928,70**	**-**	**-733 579 906,78**	**-67 816 896,56**	**-456 663,83**	**-68 273 560,39**	**703 898 066,60**
ACCESS CONTROL	298 233,53		-	298 233,53	-	-	72 355,46	111 507,07	-	482 096,06	-280 861,24	-3 338,47	-	-	-284 199,71	-	-	-	197 896,35
FENCING	46492379,12		-	46 492 379,12	-	-	6749334,62	777501,87	-	54 019 215,61	-13342335,15	-4619902,02	-	-	-17 962 237,17	-513203,54	-1069844,07	-1 583 047,61	34 473 930,83
SECURITY SYSTEMS	26307035,43		-	26 307 035,43	-	-	-	440720,74	-312514,34	26 435 241,83	-24465644,17	-3340851,21	312492,6	-	-24 487 236,78	-78 422,23	-	-78 422,23	1 869 582,82
Total Security	**73 097 648,08**	**-**	**-**	**73 097 648,08**	**-**	**-**	**6 821 690,08**	**1 329 729,68**	**-312 514,34**	**80 936 553,50**	**-38 088 840,56**	**-4 957 325,70**	**312 492,60**	**-**	**-42 733 673,66**	**-591 625,77**	**-1 069 844,07**	**-1 661 469,84**	**36 541 410,00**
HEAD AND WINGWALLS	6 475 941,63		-	6 475 941,63	-	-	703 191,12	2 787 607,02	-	9 966 739,77	-3 625 212,09	-247 217,53	-	-	-3 872 429,62	-	-273,64	-273,64	6 094 036,51
KERBINLETS	114 007 368,05		-	114 007 368,05	-	-	15 597,58	-	-	114 022 965,63	-58 625 695,31	-4 317 303,43	-	-	-62 942 998,74	-104 196,90	-5,11	-104 202,01	50 975 764,88
MAJOR CULVERTS	98 078 481,32		-	98 078 481,32	-	-	2 223 732,39	3 469 338,45	-	103 771 552,16	-18 582 270,03	-4 861 585,41	-	-	-23 443 855,44	-	-182 875,39	-182 875,39	80 144 821,33
MANHOLES	68 080 073,48		-	68 080 073,48	-	-	13 239 996,63	2 431 883,51	-	83 751 953,62	-36 998 768,95	-3 002 966,59	-	-	-40 001 735,54	-	-366 074,36	-366 074,36	43 384 143,72
MINOR CULVERTS	88 869 262,26		-	88 869 262,26	-	-	1 218 194,36	1 994 183,05	-	92 081 639,67	-26 116 742,22	-9 894 539,30	-	-	-36 011 281,52	-4 848 647,12	-77 997,30	-4 926 644,42	51 143 713,73
OPEN CHANNELS	32 345 399,10		-	32 345 399,10	-	-	5 035 831,97	7 131 427,95	-	44 512 659,02	-8 259 390,99	-722 450,13	-	-	-8 981 841,12	-	-	-	35 530 817,90
RETICULATION	533432714,5		-	533 432 714,47	-	-	2725221,71	1622487,01	-	576 909 902,99	-126 888 270,83	-11211831,52	-	-	-138 100 102,35	-1 933 923,11	-626605,86	-2 560 528,97	436 249 271,67
Total Stormwater	**941 289 240,31**	**-**	**-**	**941 289 240,31**	**-**	**-**	**49 688 761,56**	**34 039 410,99**	**-**	**1 025 017 412,86**	**-279 096 350,42**	**-34 257 893,91**	**-**	**-**	**-313 354 244,33**	**-6 886 767,13**	**-1 253 831,66**	**-8 140 598,79**	**703 522 569,74**
Railway Lines	3 449 394,66		-	3 449 394,66	-	-	-	-	-2 881,06	3 446 513,60	-2 893 811,18	-110 625,63	2 871,65	-	-3 001 565,16	-	-	-	444 948,44
Total Railway Lines	**3 449 394,66**	**-**	**-**	**3 449 394,66**	**-**	**-**	**-**	**-**	**-2 881,06**	**3 446 513,60**	**-2 893 811,18**	**-110 625,63**	**2 871,65**	**-**	**-3 001 565,16**	**-**	**-**	**-**	**444 948,44**
GARDEN REFUSE	6 164 279,84		-	6 164 279,84	-	-	-	-	-176,44	6 164 103,40	-1 873 357,14	-103 023,88	169,79	-	-1 976 211,23	-140 171,28	-	-140 171,28	4 047 720,89
LANDFILL SITE	8 075 631,80		-	8 075 631,80	-	-	-	-	-163,01	8 075 468,79	-3 567 077,78	-222 122,26	150,05	-	-3 789 049,99	-	-	-	4 286 418,80
SORTING STATIONS	538 740,94		-	538 740,94	-	-	-	-	-	538 740,94	-78 095,46	-9801,04	-	-	-87 896,50	-	-	-	450 844,44
Total Solid Waste	**14 778 652,58**	**-**	**-**	**14 778 652,58**	**-**	**-**	**-**	**-**	**-339,45**	**14 778 313,13**	**-5 518 530,38**	**-334 947,18**	**319,84**	**-**	**-5 853 157,72**	**-140 171,28**	**-**	**-140 171,28**	**8 784 984,13**
FIBER OPTIC CABLE	11 937 006,21		-	11 937 006,21	-	-	-	-	-	11 937 006,21	-7 454 568,38	-87 720,31	-	-	-7 542 288,69	-261 519,53	-	-261 519,53	4 133 197,99
Total IT Infrastucture	**11 937 006,21**	**-**	**-**	**11 937 006,21**	**-**	**-**	**-**	**-**	**-**	**11 937 006,21**	**-7 454 568,38**	**-87 720,31**	**-**	**-**	**-7 542 288,69**	**-261 519,53**	**-**	**-261 519,53**	**4 133 197,99**
Total Infrastructure	**9 303 224 678,68**	**-**	**-**	**9 303 224 678,68**	**56 976 362,79**	**-**	**393 625 259,69**	**303 253 929,47**	**-341 501,13**	**10 056 738 729,50**	**-4 299 695 178,18**	**-249 850 854,46**	**340 808,38**	**-**	**-4 541 662 935,57**	**-107 979 309,98**	**-5 116 259,67**	**-112 884 050,12**	**5 394 437 935,59**
Assets Under Construction																			
W.I.P : Project	819701146,8		-	819 701 146,83	-	-	-428395697,5	284759872,6	-	676 065 321,99	-	-	-	-	-	-275 000,00	-6 420 559,41	-6 695 559,41	669 369 762,58
W.I.P : Movable Assets																			
	819 701 146,83	**-**	**-**	**819 701 146,83**	**-**	**-**	**-428 395 697,45**	**284 759 872,61**	**-**	**676 065 321,99**	**-**	**-**	**-**	**-**	**-**	**-275 000,00**	**-6 420 559,41**	**-6 695 559,41**	**669 369 762,58**
Community																			
CEMETERIES	934 821,31		-	934 821,31	-	-	-	-	-	934 821,31	-410 492,78	-19 890,38	-	-	-430 383,16	-1 266,97	-	-1 266,97	503 171,18
CIVIL THEATRES	13 733 671,63		-	13 733 671,63	-	-	-	-	-	13 733 671,63	-12 442 959,38	-75 980,65	-	-	-12 518 940,03	-	-	-	1 214 731,60
CLINICS	29 442 063,10		-	29 442 063,10	-	-	-	-	-	29 442 063,10	-19 342 058,81	-655 090,89	-	-	-19 997 149,70	-	-	-	9 644 913,40
COMMUNITY CENTRES	141 315 777,19		-	141 315 777,19	-	-	-	-	-	141 315 777,19	-68 307 638,82	-2 708 825,93	-	-	-71 016 464,75	-1 001 161,35	-	-1 001 161,35	69 298 151,09
FIRE STATIONS	23 464 095,15		-	23 464 095,15	-	-	-	-	-	23 464 095,15	-17 250 829,39	-383 389,03	-	-	-17 634 218,42	-	-	-	5 829 876,73
LIBRARIES	91 083 386,27		-	91 083 386,27	-	-	-	-	-	91 083 386,27	-58 991 115,13	-2 072 623,82	-	-	-60 663 738,95	-38 790,66	-	-38 790,66	30 380 856,66
PARKS	3 846 886,52		-	3 846 886,52	-	-	-	-	-	3 846 886,52	-2 868 240,20	-65 982,20	-	-	-2 934 222,40	-	-	-	912 664,12
PUBLIC CONVENIENCES	39 550 244,84		-	39 550 244,84	-	-	-	-	-1 301,68	39 548 943,16	-23 046 963,69	-762 970,91	1 274,84	-	-23 808 659,76	-5 989,23	-	-5 989,23	15 734 294,17
STADIUMS	85 722 363,98		-	85 722 363,98	-	-	-	-	-	85 722 363,98	-67 839 820,87	-1 465 800,41	-	-	-69 305 621,28	-570 207,78	-	-570 207,78	15 846 534,92
BEERHALLS																			
Total Community Buildings	**429 093 309,99**	**-**	**-**	**429 093 309,99**	**-**	**-**	**-**	**-**	**-1 301,68**	**429 092 008,31**	**-269 900 119,07**	**-8 210 554,22**	**1 274,84**	**-**	**-278 109 398,45**	**-1 617 415,99**	**-**	**-1 617 415,99**	**149 365 193,87**
CEMETERIES	6 509 794,81		-	6 509 794,81	-	-	-	-	-	6 509 794,81	-3 297 538,57	-100 707,73	-	-	-3 398 246,30	-14 857,94	-	-14 857,94	3 096 690,57
PARKS	16 574 136,24		-	16 574 136,24	-	-	-	-	-	16 574 136,24	-10 110 295,61	-302 157,95	-	-	-10 412 453,56	-42 624,15	-	-42 624,15	6 119 058,53
SPORT FACILITIES	67 118 385,35		-	67 118 385,35	-	-	-	-	-	67 118 385,35	-27 427 018,68	-1 339 471,97	-	-	-28 766 490,65	-475 942,51	-	-475 942,51	37 875 952,19
SPORT GROUNDS	214 873 539,48		-	214 873 539,48	-	-	-	-	-	214 873 539,48	-90 582 240,72	-4 706 703,43	-	-	-95 288 944,15	-666 335,02	-	-666 335,02	118 918 260,31
SWIMMING POOLS	52 444 450,68		-	52 444 450,68	-	-	-	-	-536,65	52 443 914,03	-26 467 804,12	-1 610 688,84	522,57	-	-28 077 970,39	-846 288,50	-	-846 288,50	23 519 655,14
Total Community Recreational Facilities	**357 520 306,56**	**-**	**-**	**357 520 306,56**	**-**	**-**	**-**	**-**	**-536,65**	**357 519 769,91**	**-157 884 897,70**	**-8 059 729,92**	**522,57**	**-**	**-165 944 105,05**	**-2 046 048,12**	**-**	**-2 046 048,12**	**189 529 616,74**

MSUNDUZI MUNICIPALITY AND ITS MUNICIPAL ENTITY

APPENDIX A

	COST/VALUATION										ACCUMULATED DEPRECIATION					Accumulated Impairment			
	Cost 01/07/2025	Valuation 01/07/2025	AUC 01/07/2025	Cost/Valuation 01/07/2025	Additions	Fair value gains / (losses)	Transfers/ Adjustments	Additions AUC	Derecognition	Balance 30/06/2025	Balance 01/07/2024	Depreciation 2024/25	Derecognition	Adjustments/ Transfers	Balance 30/06/2025	Balance 01/07/2024	Impairment 2024/25	Balance 30/06/2025	Carrying Value
Total Community	**786 613 616,55**	-	-	**786 613 616,55**	-	-	-	-	**-1 838,33**	**786 611 778,22**	**-427 785 016,77**	**-16 270 284,14**	**1 797,41**	-	**-444 053 503,50**	**-3 663 464,11**	-	**-3 663 464,11**	**338 894 810,61**
Other Assets																			
AIRPORT BUILDING	14 839 545,31		-	14 839 545,31	-	-	-	-	-	14 839 545,31	-8 822 564,45	-317 803,66	-	-	-9 140 368,11	-	-	-	5 699 177,20
CRECHES	15 717 654,62		-	15 717 654,62	-	-	-	-	-	15 717 654,62	-10 172 156,51	-359 859,98	-	-	-10 532 016,49	-5 494,48	-	-5 494,48	5 180 143,65
CREMATORIUMS	7 004 221,09		-	7 004 221,09	-	-	-	-	-	7 004 221,09	-6 136 889,63	-102 233,26	-	-	-6 239 122,89	-112 289,06	-	-112 289,06	672 809,14
HOSTELS	1 557 492,33		-	1 557 492,33	-	-	-	-	-	1 557 492,33	-1 235 347,30	-25 780,41	-	-	-1 261 127,71	-	-	-	296 364,62
HOUSING SCHEMES	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LANDFILL SITE	50 287 775,05		-	50 287 775,05	-	-	-	-	-277,04	50 287 498,01	-31 997 701,98	-1 014 178,25	250,24	-	-33 011 629,99	-1,94	-	-1,94	17 275 866,08
MARKETS	241 019 232,73		-	241 019 232,73	-	-	-	-	-	241 019 232,73	-180 261 842,08	-3 703 582,72	-	-	-183 965 424,80	-13 482,17	-	-13 482,17	57 040 325,76
NURSERIES	10 835 503,47		-	10 835 503,47	-	-	-	-	-	10 835 503,47	-8 981 228,71	-145 211,19	-	-	-9 126 439,90	-6 225,85	-	-6 225,85	1 702 837,72
OLD AGE HOMES	924 085,61		-	924 085,61	-	-	-	-	-	924 085,61	-751 827,29	-10 871,38	-	-	-762 698,67	-	-	-	161 386,94
SEWERAGE WORKS AND DUMPSITE	796 653,56		-	796 653,56	-	-	-	-	-	796 653,56	-657 355,44	-6 508,51	-	-	-663 863,95	-	-	-	132 789,61
TRAINING CENTRE	4 298 468,38		-	4 298 468,38	-	-	-	-	-	4 298 468,38	-3 100 805,86	-68 666,82	-	-	-3 169 472,68	-	-	-	1 128 995,70
TRANSPORT FACILITIES	43 956 072,28		-	43 956 072,28	-	-	-	-	-	43 956 072,28	-30 634 189,68	-962 451,52	-	-	-31 596 641,20	-	-	-	12 359 431,08
WORKSHOPS AND DEPOTS	31 508 703,13		-	31 508 703,13	-	-	-	-	-	31 508 703,13	-24 848 535,49	-493 204,36	-	-	-25 341 739,85	-280,23	-	-280,23	6 166 683,05
Total Other Properties	**422 745 407,56**	-	-	**422 745 407,56**	-	-	-	-	**-277,04**	**422 745 130,52**	**-307 580 444,42**	**-7 210 352,06**	**250,24**	-	**-314 790 546,24**	**-137 773,73**	-	**-137 773,73**	**107 816 810,55**
COMPRESSORS	360 029,99		-	360 029,99	-	-	-	-	-18 954,07	341 075,92	-288 555,55	-11 927,94	18 942,19	-	-281 541,30	-958,87	-	-958,87	58 575,75
FIREARMS	2 394 466,68		-	2 394 466,68	5 423,66	-	-	-	-	2 399 890,34	-1 961 998,81	-64 557,24	-	-	-2 026 556,05	-	-	-	373 334,29
GRADERS	20 399 000,26		-	20 399 000,26	-	-	-	-	-15 500,00	20 383 500,26	-7 226 334,33	-1 071 722,15	15 379,45	-	-8 282 677,03	-329 675,08	-2 302 554,82	-2 632 229,90	9 468 593,33
LABORATORY EQUIPMENT	196 475,52		-	196 475,52	-	-	-	-	-36 019,12	160 456,40	-181 305,94	-2 885,82	35 986,67	-	-148 205,09	-	-	-	12 251,31
LAWNMOWERS	5 573 640,45		-	5 573 640,45	327 691,75	-	0,00	-	-119 121,13	5 782 211,07	-2 972 361,16	-550 696,42	139 056,42	-	-3 404 001,16	-142 797,38	-1 489,79	-144 287,17	2 233 922,74
PLANT AND EQUIPMENT	90 100 378,14		-	90 100 378,14	4 428 195,00	-	-66 505,46	-	-683 856,69	93 778 210,89	-48 841 878,21	-3 827 169,48	680 009,30	32 830,93	-51 956 207,46	-1 920 417,95	-1 748 246,85	-3 668 664,80	38 153 338,73
RADIO EQUIPMENT	3 691 425,83		-	3 691 425,83	-	-	-	-	-150 827,01	3 540 598,82	-2 697 894,39	-179 715,36	150 699,34	-	-2 726 910,41	-133 884,63	-	-133 884,63	679 803,78
TELECOMMUNICATION	6 323 794,30		-	6 323 794,30	218 472,44	-	-	-	-50 531,42	6 491 735,32	-5 947 693,36	-71 649,02	50 426,58	-	-5 968 915,80	-108 089,72	-4 334,14	-112 423,86	410 395,66
TRACTORS	15 093 475,52		-	15 093 475,52	4 322 072,67	-	-	-	-2 605 929,42	16 809 618,77	-7 480 457,72	-663 224,71	1 883 143,05	-	-6 260 539,38	-429 526,64	-617 554,51	-1 047 081,15	9 501 998,24
Total Plant And Equipment	**144 132 686,69**	-	-	**144 132 686,69**	**9 301 855,52**	-	**-66 505,46**	-	**-3 680 738,86**	**149 687 297,89**	**-77 598 479,47**	**-6 443 548,14**	**2 953 643,00**	**32 830,93**	**-81 055 553,68**	**-3 065 350,27**	**-4 674 180,11**	**-7 739 530,38**	**80 892 213,83**
AIRCONDITIONERS	24 030 269,89		-	24 030 269,89	2 820 391,97	-	-	-	-1 733 276,34	25 117 385,52	-17 534 738,13	-1 271 437,36	1 732 204,45	-0,00	-17 073 971,04	-205 561,23	-52 297,05	-257 858,28	7 785 556,20
COMPUTER HARDWARE	118 283 649,13		-	118 283 649,13	21 286 668,56	-	3 541,75	-	-1 331 427,56	138 242 431,88	-84 076 852,95	-9 276 064,39	1 327 937,77	-	-92 024 979,57	-667 794,37	-60 552,88	-728 347,25	45 489 105,06
OFFICE MACHINES	6 048 541,98		-	6 048 541,98	216 397,63	-	-674 289,47	-	-396 895,56	5 193 754,58	-4 321 001,28	-342 009,67	396 326,17	-	-4 266 684,78	-78 036,12	-6 063,63	-84 099,75	842 970,05
							-												
Total Office Equipment	**148 362 461,00**	-	-	**148 362 461,00**	**24 323 458,16**	-	**-670 747,72**	-	**-3 461 599,46**	**168 553 571,98**	**-105 932 592,36**	**-10 889 511,42**	**3 456 468,39**	**-0,00**	**-113 365 635,39**	**-951 391,72**	**-138 913,56**	**-1 070 305,28**	**54 117 631,31**
CABINETS AND CUPBOARDS	12 191 226,90		-	12 191 226,90	27 394,16	-	12 504,15	-	-3 364 080,64	8 867 044,57	-9 674 610,34	-331 867,08	3 358 794,04	-	-6 647 683,38	-455 519,14	-4 595,53	-460 114,67	1 759 246,52
CHAIRS	12 893 700,11	-	-	12 893 700,11	227 119,36	-	-	-	-1 887 459,01	11 233 360,46	-7 585 907,37	-626 715,45	1 883 232,00	-	-6 331 390,82	-582 081,51	-3 380,42	-585 461,93	4 316 507,71
FURNITURE AND FITTINGS OTHER	6 056 459,54		-	6 056 459,54	243 848,00	-	739 387,15	-	-838 456,41	6 201 238,28	-4 047 916,35	-282 080,05	835 715,76	-	-3 494 280,64	-223 374,25	-2 034,70	-225 408,95	2 481 548,69
TABLES AND DESKS	10 270 212,04		-	10 270 212,04	164 803,08	-	-	-	-2 252 514,23	8 182 500,89	-7 135 329,76	-405 523,70	2 248 506,39	-0,00	-5 292 347,07	-268 146,67	-7 645,78	-275 792,45	2 614 361,37
Total Furniture And Fittings	**41 411 598,59**	-	-	**41 411 598,59**	**663 164,60**	-	**751 891,30**	-	**-8 342 510,29**	**34 484 144,30**	**-28 443 763,82**	**-1 646 186,28**	**8 326 248,19**	**-0,00**	**-21 765 701,91**	**-1 529 121,57**	**-17 656,43**	**-1 546 778,00**	**11 171 664,29**
BULK CONTAINERS	2 541 019,44		-	2 541 019,44	-	-	-	-	-	2 541 019,44	-1 298 345,02	-163 438,98	-	-	-1 461 784,00	-3 978,02	-	-3 978,02	1 075 257,42
HOUSEHOLD REFUSE BINS	2 221,87		-	2 221,87	-	-	-	-	-1 696,57	525,30	-2 068,46	-19,67	1 684,84	-	-403,29	-88,89	-	-88,89	33,12
	-			-						-									
Total Containers	**2 543 241,31**	-	-	**2 543 241,31**	-	-	-	-	**-1 696,57**	**2 541 544,74**	**-1 300 413,48**	**-163 458,65**	**1 684,84**	-	**-1 462 187,29**	**-4 066,91**	-	**-4 066,91**	**1 075 290,54**
FIRE EQUIPMENT	4 997 770,49		-	4 997 770,49	650 000,00	-	0,00	-	-42,70	5 647 727,79	-3 459 855,57	-161 937,28	21,17	-	-3 621 771,68	-197 573,84	-321,99	-197 895,83	1 828 060,28
MEDICAL EQUIPMENT CLINICS	241 349,26		-	241 349,26	-	-	0,00	-	-51 255,48	190 093,78	-235 539,57	-1 373,50	51 189,11	-	-167 723,96	-1 183,11	-	-1 183,11	21 186,71
Total Fire And Medical Equipment	**5 239 119,75**	-	-	**5 239 119,75**	**650 000,00**	-	**0,00**	-	**-51 298,18**	**5 837 821,57**	**-3 675 395,14**	**-165 310,78**	**51 210,28**	-	**-3 789 495,64**	**-198 756,95**	**-321,99**	**-199 078,94**	**1 849 246,99**
BUSES	3 631 939,23		-	3 631 939,23	-	-	-	-	-259 555,84	3 372 383,39	-2 052 587,27	-162 391,13	130 434,66	0,00	-2 104 543,74	-194 329,90	-87 633,88	-281 963,78	985 875,87
FIRE ENGINES	31 323 623,83		-	31 323 623,83	-	-	-	-	-	31 323 623,83	-18 367 388,00	-966 073,87	-	-	-19 333 461,87	-108 249,85	-706 252,51	-814 502,36	11 175 659,60
MOTOR CYCLES	1 567 366,06		-	1 567 366,06	-	-	-	-	-188 182,56	1 379 183,50	-1 443 747,67	-18 197,45	188 157,16	-	-1 273 787,96	-25 031,22	-514,30	-25 545,52	79 850,02
MOTOR VEHICLES	44 632 114,78		-	44 632 114,78	13 259 245,94	-	0,00	-	-4 939 172,61	52 952 188,11	-24 727 996,61	-3 066 483,73	3 204 755,50	-	-24 589 724,84	-1 240 416,72	-540 144,57	-1 780 561,29	26 581 901,98
TRAILERS	3 308 286,85		-	3 308 286,85	-	-	0,00	-	-115 253,66	3 193 033,19	-640 574,60	-132 583,00	115 209,51	-	-657 948,09	-39 566,28	-	-39 566,28	2 495 518,82
TRUCKS AND BAKKIES	201 441 498,78		-	201 441 498,78	16 106 026,77	-	-	-	-5 967 513,41	211 580 012,14	-130 199 037,51	-11 872 107,90	5 029 192,58	-	-137 041 952,83	-2 418 540,34	-520 272,04	-2 938 812,38	71 599 246,93
FINANCE LEASES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Motor Vehicles	**285 904 829,53**	-	-	**285 904 829,53**	**29 365 272,71**	-	**0,00**	-	**-11 469 678,08**	**303 800 424,16**	**-177 431 331,66**	**-16 217 837,08**	**8 647 749,41**	**0,00**	**-185 001 419,33**	**-4 026 134,31**	**-1 854 817,30**	**-5 880 951,61**	**112 918 053,22**
Tool Boxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Low Value Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
				-															
Total Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Assets	**1 050 339 344,43**	-	-	**1 050 339 344,43**	**64 303 750,99**	-	**14 638,12**	-	**-27 007 798,48**	**1 087 649 935,06**	**-701 962 420,35**	**-42 736 204,41**	**23 435 254,35**	**32 830,93**	**-721 230 539,48**	**-9 912 595,46**	**-6 665 889,39**	**-16 578 484,85**	**349 808 079,80**
													9 029 800,25						
Total Ppe	**12 349 086 530,04**	-	-	**13 168 787 676,87**	**120 381 399,08**	-	**-10 477 145,22**	**594 860 284,60**	**-27 351 592,44**	**13 846 200 622,89**	**-5 795 145 216,56**	**-318 498 963,71**	**23 777 860,14**	**32 830,93**	**-6 082 291 200,51**	**-123 081 395,02**	**-16 234 669,49**	**-139 054 544,98**	**7 617 018 238,25**
Heritage Assets																			
ARTWORKS	120 254 314,66	125 129 959,34	-	245 384 274,00	-	-	-	-	-	245 384 274,00	-	-		-	-	-6 863 809,00	-	-6 863 809,00	238 520 465,00
CREMATORIUMS	9 359 517,66	-	-	9 359 517,66	-	-	-	-	-	9 359 517,66	-	-		-	-	-3 256 965,46	-	-3 256 965,46	6 102 552,20
Jewellery	1 058 500,00	1 701 500,00	-	2 760 000,00	-	-	-	-	-	2 760 000,00	-	-		-	-	-	-	-	2 760 000,00
MUSEUMS AND ART GALLERY	18 310 603,36	-	-	18 310 603,36	-	-	3 899 444,17	-	-	22 210 047,53	-	-		-	-	-2 039 510,94	-	-2 039 510,94	20 170 536,59
LAND	6 002 000,00	-	-	6 002 000,00	-	-	1 235 736,69	-	-	7 237 736,69	-	-		-	-	-	-	-	7 237 736,69
PARKS	2 485 907,87	-	-	2 485 907,87	-	-	-	-	-	2 485 907,87	-	-		-	-	-2 193 000,25	-	-2 193 000,25	292 907,62
STADIUMS	3 961 962,71	-	-	3 961 962,71	-	-	-	-	-	3 961 962,71	-	-		-	-	-2 069 239,19	-	-2 069 239,19	1 892 723,52
OTHER SWIMMING POOLS	2 095 896,34	-	-	2 095 896,34	-	-	-	-	-	2 095 896,34	-	-		-	-	-867 297,64	-	-867 297,64	1 228 598,70
LEGAL DEPOSITS	50 449 588,77	-	-	50 449 588,77	-	-	-	4 780 042,15	-	55 229 630,92	-	-		-	-	-	-	-	55 229 630,92
Total Heritage Assets	**213 978 291,37**	**126 831 459,34**	-	**290 360 161,94**	-	-	**5 135 180,86**	-	-	**350 704 973,72**	-	-	-	-	-	**-17 289 822,48**	-	**-17 289 822,48**	**333 415 151,24**
Investment Property	**922 391 726,01**	-	-	**922 391 726,01**	-	10 536 000,00	-	-	4 498 520,68	**928 429 205,33**	-	-	-	-	-	-	-	-	**928 429 205,33**
Intangible Assets																			
COMPUTER SOFTWARES	51 054 921,32		-	51 054 921,32	-	-	-	-	-288 536,51	50 766 384,81	-47 475 281,41	-732 810,27	288 500,98	-	-47 919 590,70	-21 663,22	-	-21 663,22	2 825 130,89
SERVITUDES	803 846,28	-	-	803 846,28	-	-	-	-	-	803 846,28	-	-	-	-	-	-	-	-	803 846,28
SOFTWARES	73 423 785,53	-	-	73 423 785,53	-	-	-	1 167 906,58	-380 628,15	74 211 063,96	-52 953 657,65	-4 336 765,22	380 559,32	-	-56 909 863,55	-78 675,42	-	-78 675,42	17 222 524,99
Total Intangible Assets	**125 282 553,13**	-	-	**125 282 553,13**	-	-	-	**1 167 906,58**	**-669 164,66**	**125 781 295,05**	**-100 428 939,06**	**-5 069 575,49**	**669 060,30**	-	**-104 829 454,25**	**-100 338,64**	-	**-100 338,64**	**20 851 502,16**
Living Resources																			
Living Resources	986 249,99	-	-	986 249,99	-	-	-	12 000,00	-111 500,01	886 749,98	-451 843,36	-45 484,94	57 059,49	-	-440 268,81	-	-	-	446 481,17
Total Living Resources	**986 249,99**	-	-	**986 249,99**	-	-	-	**12 000,00**	**-111 500,01**	**886 749,98**	**-451 843,36**	**-45 484,94**	**57 059,49**	-	**-440 268,81**	-	-	-	**446 481,17**
Agricultural Assets																			
Plantations	82 700 000,00		-	82 700 000,00	-	-	-	22 930 671,72	-9 830 671,72	95 800 000,00	-	-	-	-	-	-	-	-	95 800 000,00
Total Agricultural Assets	**82 700 000,00**	-	-	**82 700 000,00**	-	-	-	**22 930 671,72**	**-9 830 671,72**	**95 800 000,00**	-	-	-	-	-	-	-	-	**95 800 000,00**

MSUNDUZI MUNICIPALITY AND ITS MUNICIPAL ENTITY

APPENDIX A

	COST/VALUATION									ACCUMULATED DEPRECIATION					Accumulated Impairment			
	Cost 01/07/2025	Valuation 01/07/2025	AUC 01/07/2025	Cost/Valuation 01/07/2025	Additions	Fair value gains / (losses)	Transfers/ Adjustments	Additions AUC	Derecognition	Balance 30/06/2025	Balance 01/07/2024	Depreciation 2024/25	Derecognition	Adjustments/ Transfers	Balance 30/06/2025	Balance 01/07/2024	Impairment 2024/25	Balance 30/06/2025	Carrying Value
Total Non Current Assets	**13 695 411 600,53**	**126 831 459,34**	**-**	**14 591 494 617,58**	**120 381 399,08**	**10 536 000,00**	**-5 361 964,36**	**618 982 862,90**	**-42 461 449,51**	**15 348 689 596,95**	**-5 896 477 842,34**	**-323 614 024,14**	**24 503 979,93**	**32 830,93**	**-6 188 001 192,38**	**-140 471 556,14**	**-18 230 675,01**	**-158 440 711,62**	**8 993 964 572,63**
																			FAR
Housing Stock																			
Housing Stock	373 658 480,67	-	-	373 658 480,67	-	-	5 361 964,36	-1 266 338,58	-8 313 977,36	369 440 129,09	-	-	-	-	-	-	-	-	369 440 129,09
Total Housing Stock	**373 658 480,67**	**-**	**-**	**373 658 480,67**	**-**	**-**	**5 361 964,36**	**-1 266 338,58**	**-8 313 977,36**	**369 440 129,09**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**369 440 129,09**
Land Held For Sale																			
Land Held For Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Land Held For Sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Non Current Assets & Inventory	**14 069 070 081,20**	**126 831 459,34**	**-**	**14 965 153 098,60**	**120 381 399,08**	**10 536 000,00**	**-0,00**	**617 716 524,32**	**-50 775 426,87**	**15 718 129 726,08**	**-5 896 477 842,34**	**-323 614 024,14**	**24 503 979,93**	**32 830,93**	**-6 188 001 192,38**	**-140 471 556,14**	**-16 234 669,49**	**-156 446 706,10**	**9 363 404 701,72**

APPENDIX B - SEGMENTAL ANALYSIS OF ALL NON-CURRENT ASSETS CLASSIFICATION AS AT 30 JUNE 2025

	HISTORICAL COSTS									ACCUMULATED DEPRECIATION AND IMPAIRMENTS								
DESCRIPTION	**OPENING BALANCE**	**ADDITIONS/ UNDER CONSTRUCTION**	**TRANSFERS**	**REVALUATION**	**ADJUSTMENTS**	**POST CAPITALISATION**	**DISPOSALS**	**DONATED ASSETS**	**CLOSING BALANCE**	**OPENING BALANCE**	**OPENING IMPAIRMENT**	**CURRENT YEAR DEPRECIATION**	**DEPRECIATION TRANSFER**	**DEPRECIATION ADJUSTMENTS**	**DEPRECIATION DISPOSALS**	**CURRENT YEAR IMPAIRMENT**	**CLOSING BALANCE**	**NET BOOK VALUE**
Executive and Council	42 701 579,23	1 952 065,54	(598 047,10)	-	-	1 307,84	(826 688,43)	-	43 230 217,08	(18 156 232,60)	(1 472 600,93)	(1 829 924,21)	279 618,10	(240,27)	825 813,32	(50 745,29)	(20 404 311,88)	22 825 905,20
Community and Social Services	880 599 809,01	15 532 940,11	526 217,50	-	-	6 394,12	(1 639 657,16)	1 762 040,20	896 787 743,78	(267 689 665,74)	(13 893 562,39)	(9 557 818,53)	55 361,43	(1 271,68)	1 410 764,51	(2 327 928,52)	(292 004 120,92)	604 783 622,86
Electricity	2 327 959 475,71	138 463 657,68	(400 085,18)	-	-	5 461,97	(2 033 760,73)	-	2 463 994 749,45	(1 145 470 931,20)	(14 666 677,60)	(81 248 493,07)	97 814,07	(913,22)	1 812 253,74	(1 337 704,08)	(1 240 814 651,36)	1 223 180 098,09
Environmental Protection	5 054 798,70	-	65 698,97	-	-	700,52	(246 326,34)	-	4 874 871,85	(3 285 621,47)	(229 509,50)	(182 032,09)	(27 130,18)	(152,29)	(245 919,35)	(258,05)	(3 478 784,23)	1 396 087,62
Finance and Administration	1 756 913 288,03	37 329 317,69	8 845 397,95	-	112 000,00	10 968,79	(24 305 353,81)	-	1 778 905 618,65	(675 961 279,66)	(6 007 965,27)	(30 871 338,41)	(2 843 367,21)	(2 328,29)	15 079 722,06	(5 562 901,85)	(706 169 458,63)	1 072 736 160,02
Housing	1 147 689 586,97	93 206 768,31	(39 022,22)	-	10 424 000,00	191,25	4 716 180,99	-	1 246 565 343,32	(36 613 144,02)	(405 896,97)	(5 258 938,32)	70 425,49	(44,22)	52 950,05	(454 580,66)	(42 609 228,65)	1 203 956 114,67
Other	455 809 454,45	25 868 858,37	(584 751,68)	-	-	1 079,59	(10 065 413,03)	-	471 029 227,70	(264 938 007,35)	(210 571,83)	7 863 801,68	(189 221,31)	(204,43)	234 108,42	(8 801,89)	(272 598 057,45)	198 431 170,25
Planning and Development	342 165 938,97	17 377 026,40	470 482,07	-	-	1 951,50	773 690,37	-	359 241 708,57	(35 944 130,76)	(652 855,99)	(4 900 679,92)	(194 207,85)	(384,07)	727 160,84	(372 911,14)	(41 338 008,89)	317 903 699,68
Public Safety	40 928 266,92	1 738 668,90	175 647,42	-	-	1 523,79	(1 008 314,72)	650 000,00	42 485 792,31	(25 270 571,58)	(439 664,71)	(924 288,81)	(9 513,61)	(282,83)	840 047,77	(706 297,18)	(26 510 570,95)	15 975 221,36
Road Transport	4 810 116 933,08	279 014 013,47	(48 750,21)	-	-	2 841,28	(1 460 301,97)	-	5 087 624 735,65	(2 108 108 105,51)	(21 073 370,49)	(98 281 785,12)	664 602,36	(597,85)	1 209 695,93	(5 792 742,93)	(2 231 382 303,61)	2 856 242 432,04
Sport and Recreation	541 930 443,54	15 944 298,81	70 178,20	-	-	2 157,63	(1 569 473,95)	-	556 377 604,23	(267 278 755,61)	(8 481 911,92)	(11 147 293,54)	(69 096,72)	(433,11)	706 501,53	(855,24)	(286 271 844,61)	270 105 759,62
Waste Management/Solid Waste	135 977 488,34	28 307 058,97	(4 419 450,61)	-	-	559,38	(227 116,97)	-	159 638 539,11	(47 716 919,83)	(492 526,43)	(4 676 990,00)	1 403 100,32	(119,75)	226 798,14	(2,25)	(51 256 659,80)	108 381 879,31
Waste Water Management	956 543 305,60	48 596 181,06	(769 472,40)	-	-	364,99	(137 731,62)	-	1 004 232 647,63	(297 268 753,54)	(4 376 675,27)	(27 084 756,29)	204 338,46	(71,64)	137 491,20	(2 455,59)	(328 390 882,67)	675 841 764,96
Water	1 637 398 790,54	(28 096 218,39)	(4 871 120,82)	-	-	2 135,94	(1 765 416,78)	-	1 602 668 170,49	(702 316 379,81)	(68 067 766,84)	(39 712 511,69)	178 834,03	(456,65)	994 753,07	(457 557,34)	(809 381 085,23)	793 287 085,26
TOTALS	**15 081 789 159,09**	**675 234 636,92**	**(1 577 078,11)**	**-**	**10 536 000,00**	**37 638,59**	**(50 775 426,87)**	**2 412 040,20**	**15 717 656 969,82**	**(5 896 018 498,68)**	**(140 471 556,14)**	**(323 540 651,68)**	**-**	**(7 500,30)**	**24 503 979,93**	**(17 075 742,01)**	**(6 352 609 968,88)**	**9 365 047 000,94**

MSUNDUZI MUNICIPALITY AND ITS MUNICIPAL ENTITY
APPENDIX C
ACTUAL VERSUS BUDGET (ACQUISITION OF ALL NON-CURRENT ASSETS) FOR THE YEAR ENDED 30 JUNE 2025

Description	2025 Budget R	2025 Actual R	2025 Assets Under Construction R	2025 Additions R	2025 Variance R	2025 Variance %
Executive and Council	3 550 000,00	1 819 259,32	-	-	1 730 740,68	49%
Finance and Administration	50 848 442,00	37 838 823,12	10 727 407,33	1 819 259,32	13 009 618,88	26%
Planning and Development	38 428 816,04	32 312 559,62	24 987 930,77	27 111 415,79	6 116 256,42	16%
Public Safety	2 178 000,00	1 738 668,90	-	1 738 668,90	439 331,10	20%
Community and Social Services	18 620 604,46	10 455 595,55	259 105,53	10 196 490,02	8 165 008,91	44%
Health						
Sport and Recreation	18 936 437,00	15 930 036,83	10 524 524,80	5 405 512,03	3 006 400,17	16%
Road Transport	210 408 844,13	302 892 319,68	154 780 779,96	148 111 539,72	(92 483 475,55)	(44%)
Water	115 896 461,00	78 162 408,76	39 375 758,50	38 786 650,26	37 734 052,24	33%
Waste Water Management	84 293 884,81	66 141 786,13	49 655 000,36	16 486 785,77	18 152 098,68	22%
Electricity	279 515 403,58	115 112 102,59	22 656 535,16	92 455 567,43	164 403 300,99	59%
Housing	124 479 393,15	93 206 768,31	52 809 452,72	40 397 315,59	31 272 624,84	25%
Other	3 007 443,00	2 932 829,27	-	2 932 829,27	74 613,73	2%
Environment Protection/Solid Waste	10 570 889,00	28 307 058,97	28 251 338,41	55 720,56	(17 736 169,97)	(168%)
TOTALS	**960 734 618,17**	**786 850 217,05**	**394 027 833,54**	**385 497 754,66**	**173 884 401,12**	

MSUNDUZI MUNICIPALITY AND ITS MUNICIPAL ENTITY

APPENDIX D - DETAILS OF UNSPENT CONDITIONAL GRANTS, RECEIPTS AND TRANSFERS TO INCOME AS AT 30 JUNE 2025

Account Description	Restated Unspent balance @ 01 July 2024	Transfers to income	Transfer to own revenue	Refund Of Duplicate Receipt To Service Provider	Funds paid back to National Treasury/ Cooperative Governance	Inter project transfer	VAT recovered from NT grants	Current year interest earned	Current year receipts	Unspent balance	Source Code
GRANTS UNSPENT:OP-NT-EXPANDED PUBLIC WORKS PROGRAMME	(1 489)	2 091 919	-	-	-	-	-	-	(2 092 000)	(1 569,62)	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:OP-NT-FINANCE MANAGEMENT GRANT	-	1 769 402	-	-	-	-	130 598	-	(1 900 000)	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:OP-NT-REGIONAL BULK INFRASTRUCTURE GRANT	-	58 346 983	-	-	-	-	8 752 047	-	(67 099 030)	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:CP-NT-INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME	(55 484)	4 399 117	-	-	-	-	627 367	-	(4 971 000)	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:CP-NT-NEIGHBOURHOOD DEV P/SHIP GRANT	(1 604 867)	17 781 298	-	-	1 604 437	-	2 186 695	-	(20 000 000)	(32 437,69)	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:CP-NT-MUNICIPAL DISASTER RECOVERY GRANT	(31 578 442)	36 316 226	-	-	-	-	5 394 236	-	(13 214 000)	(3 081 979,91)	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:CP-NT-ENERGY EFFIC/DEMAND SIDE MGT	-	3 736 499	-	-		650 000	560 475	-	(4 950 000)	(3 025,80)	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:OP-NT-ENERGY EFFIC/DEMAND SIDE MGT	-	524 827	-	-		(650 000)	59 366	-	(50 000)	(115 807,52)	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:CP-NT-MUNICIPAL INFRASTRUCTURE PROGRAMME	(18 748 895)	165 545 253	-	-	(15 239 563)	-	25 032 479	-	(222 518 294)	(35 449 893,86)	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:OP-NT-MUNICIPAL INFRASTRUCTURE PROGRAMME	-	7 032 057	-	-	-	-	-	-	(8 035 706)	(1 003 648,94)	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:CP-NT-PUBLIC TRANSPORT NETWORK GRANT	-	-	-	-	-	-	-	-	(20 500 000)	(20 500 000,00)	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:OP-NT-PUBLIC TRANSPORT NETWORK GRANT	-	4 008 006	-	-	-	-	574 262	-	(29 500 000)	(24 917 731,81)	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:CP-NT-WATER SERVICES INFRAST GRANT	(10 851 535)	16 604 098	-	-	-	(6 488 465)	2 358 106	-	(1 622 203)	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:OP-NT-WATER SERVICES INFRAST GRANT	(3 655 665)	44 545 307	-	-	-	6 488 465	5 998 454	-	(53 377 797)	(1 235,90)	UNSPENT CG - NATIONAL GOVERNMENT
	(66 496 377)	**362 700 992**	**-**	**-**	**16 844 000**	**-**	**51 674 084**	**-**	**(449 830 030)**	**(85 107 331,05)**	
GRANTS UNSPENT:CP-COGTA-CORRIDOR DEVELOPMENT	(4 007 829)	-	-	-	4 197 209	-	-	(189 379)	-	-	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-COGTA-EASTWOOD PRIMARY SUBSTATION	(72 011)	-	72 011	-	-	-	-	-	-	-	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-DOHS-UPGRADING INFORMAL SETTLEME	(96 641 828)	79 177 073	12 479 853	-	-	-	-	-	-	(4 984 902,59)	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-DOHS - HOUSING PROJECTS	-	-	-	-	-	-	-	-	-	-	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-EDTEA - INFORMAL CBD	-	-	-	-	-	-	-	-	-	-	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-EDTEA-EMATSHENI	(1 055 100)	1 149 828	-	-	-	-	-	(136 786)	(1 000 000)	(1 042 057,41)	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-DOHS-JIKA JOE	-	-	-	-	-	-	-	-	-	-	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-COGTA-YOUTH ENTERPRISE PARK	-	-	-	-	-	-	-	-	-	-	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-EDTEA-MUNICIPAL EMPLOYMENT INITIATIVE	(387 600)	403 301	-	-	-	-	-	(30 625)	-	(14 923,76)	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP - LG SETA	(908 825)	2 161 693	-	-	-	-	-	-	(2 825 478)	(1 572 610,97)	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-KZN - PIETERMARITZBURG AIRPORT	(173 175)	148 192	-	-	-	-	-	(12 011)	-	(36 994,66)	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-KZN - PIETERMARITZBURG AIRPORT	(499 966)	-	-	-	-	-	-	(24 730)	(500 000)	(24 764,53)	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-KZN-HOUSING:E/DALE PVT LAND ACQ	(638 580)	655 518	-	-	-	(67 000)	-	(38 836)	-	(88 898,46)	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-KZN-HOUSING:E/DALE PVT LAND ACQ	(12 519 408)	11 477 696	-	35 305	-	67 000	-	(1 535 223)	(716 784)	(3 191 413,91)	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-KZN: HOUSING- ACCREDITATION	(2 540 014)	2 244 716	-	-	-	-	-	(254 626)	(2 450 358)	(3 000 280,67)	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-KZN-: HOUSING- ACCREDITATION	(3 799 138)	5 733 823	-	-	-	-	-	(630 021)	(12 440 245)	(11 135 581,25)	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-KZN -ARTS/CULTURE-LIBRARY	(138 650)	1 306 073	-	-	-	1 466 787	-	(115 749)	(2 600 000)	(81 538,78)	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-KZN-ARTS/CULTURE-LIBRARY	-	14 771 412	-	-	-	(1 466 787)	-	(358 523)	(13 493 000)	(546 897,31)	UNSPENT CG - PROVINCIAL GOVERNMENT

MSUNDUZI MUNICIPALITY AND ITS MUNICIPAL ENTITY											
APPENDIX D - DETAILS OF UNSPENT CONDITIONAL GRANTS, RECEIPTS AND TRANSFERS TO INCOME AS AT 30 JUNE 2025											
Account Description	Restated Unspent balance @ 01 July 2024	Transfers to income	Transfer to own revenue	Refund Of Duplicate Receipt To Service Provider	Funds paid back to National Treasury/ Cooperative Governance	Inter project transfer	VAT recovered from NT grants	Current year interest earned	Current year receipts	Unspent balance	Source Code
GRANTS UNSPENT:OP-ART BANK-TATHAM ART GALLERY	(120)	-	-	-	-	-	-	-	-	(120,00)	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-KZN-A/CULTURE-TATHAM ART GALLERY	(14 451)	182 454	-	-	-	14 451	-	(12 288)	(296 000)	(125 833,68)	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-KZN-A/CULTURE-TATHAM ART GALLERY	(449 922)	766 270	-	-	-	(14 451)	-	(39 064)	(300 000)	(37 168,25)	UNSPENT CG - PROVINCIAL GOVERNMENT
	(123 346 651)	**120 678 015**	**12 551 864**	**35 305**	**4 197 209**	**-**	**-**	**(3 377 862)**	**(36 621 866)**	**(25 883 986,23)**	
	(189 843 028)	**483 379 007**	**12 551 864**	**35 305**	**21 041 209**	**-**	**51 674 084**	**(3 377 862)**	**(486 451 896)**	**(110 991 317,28)**	

NOTES

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