

ALFRED DUMA LOCAL MUNICIPALITY

FINAL ANNUAL REPORT

2024/2025



CONTENTS OF THE ANNUAL REPORT

Chapter 1: Mayor's Foreword and Executive Summary;	5-21
- Mayor's foreword	5
- Municipal Manager's foreword	6-7
- Municipal Overview	8-21
• Chapter 2: Governance; Administration	22-60
- Governance Structures	22-32
- Administration Governance Structure	33-36
- Intergovernmental relations and M&E Forum Meetings	36-37
- Public accountability and participation	38
- IDP participation and alignment	39
- <i>Corporate governance</i> : Risk Management	40-57
- Supply Chain Management	57-58
- Website	58-60
• Chapter 3: Service Delivery Performance;	61-67
- <i>Municipal Manager's Department</i> :	61-72
- Performance Management Section	61
- Internal Audit Section	61-64
- Audit Committee Report	65-70
- Youth Section	71-72
- <i>Development Planning and Human Settlements</i> :	72-84
- Development Planning	72-75
- Human Settlements	75-81
- Local Economic Development and Tourism	82-84
- <i>Technical and Infrastructural Service Department</i> :	84-86
- Road transport	84

- Storm-water	84
- Spending against Capital Budget	84-85
- Electricity Services	85-86
- <i>Public Safety and Emergency Services Department:</i>	86-93
- Traffic and Law Enforcement Services	86-89
- Licensing	90
- Firefighting Services	90-92
- Fleet Management	92-93
- <i>Community and Social Services Department:</i>	94-97
- Parks, Recreational areas, Swimming Pools and Cemeteries	94
- Community facilities and Halls	95-96
- Libraries	96
- Refuse Removal	97
• Chapter 4: Organizational Development Performance;	98-101
- Introduction to the municipal workforce	98
- Managing the municipal workforce	98
- Injuries and sickness	98-100
- Capacitating the municipal workforce	100-101
• Chapter 5: Financial Performance;	101-106
- <i>Statement of financial performance:</i>	101
- Grants	101
- Assets Management	102-103
- Financial Ratios	103
- Spending against capital budget	103-106
- Cash Flow management and investments	106
• Chapter 6: AUDITOR GENERAL'S FINDINGS	
- Auditor General's (AG) Report for June 2024	107-120

•	Chapter 7: ANNUAL FINANANCIAL STATEMENTS	
-	Final Amended Annual Financial Statements (AFS)	121-251
•	Chapter 8: ANNUAL PERFORMANCE REPORT	
-	Final Amended 2024/2025 Final Annual Performance Report	252-256
•	Chapter 9: ACTION PLAN FOR 2024/2025	
-	Action Plan for 2024/2025 Financial Year	257-259
-	APPENDICES;	260-287

APPENDIX A: Councillors: Committee allocation and Council attendance

APPENDIX B: Committee and Committee purpose

APPENDIX C: Third tier administrative structure

APPENDIX D: Functions of Municipality

APPENDIX E: Recommendations of the Audit Committee

APPENDIX F: Long-Term Contracts and Public Private Partnerships

APPENDIX G: **Municipal Entity/ Performance of External Service Providers** 270-274

APPENDIX H: Disclosure of Financial Interests

APPENDIX I (i): Revenue Collection Performance by Vote

APPENDIX I (ii): Revenue Collection Performance by Source

APPENDIX J: Conditional Grants received: Excluding MIG

APPENDIX K (i): Capital Expenditure: New Assets Programme

APPENDIX K (ii): Capital Expenditure: Upgrade/ Renewal Programme

APPENDIX L: Capital Programme by Project Current Year

APPENDIX M: Capital Programme by Project by Ward Current Year

APPENDIX N: Service Connection Backlogs at Schools and Clinics

APPENDIX O: Service Backlogs experiences by Community where another sphere of government is responsible for the service

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

APPENDIX Q: Declaration of Returns not made in due time under MFMA S71

APPENDIX R: National and Provincial outcome for Local Government

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 MAYOR'S FOREWORD



The Alfred Duma Local Municipality, a municipality of the people, for the people and by the people. This financial year I present the annual report for the 2024/2025 financial year. The year under review has been one of action, collaboration, and visible change, a year where we worked hand in hand with our communities to make progress you can see and feel.

Our municipality remains firmly committed to ensuring that all our plans, programmes, and service delivery initiatives are aligned with the Provincial Growth and Development Strategy (PGDS). This strategic alignment ensures that our local priorities contribute meaningfully to the broader provincial objectives of economic growth, job creation, sustainable infrastructure development, and improved quality of life for all residents.

Through our Integrated Development Plan (IDP), we have translated the PGDS priorities into tangible local actions, focusing on key areas such as expanding economic opportunities, upgrading critical infrastructure, enhancing human settlements, and ensuring environmental sustainability. This synergy between municipal and provincial planning enables us to leverage resources, foster stronger partnerships, and deliver impactful projects that support both local and provincial socio-economic transformation.

For the Alfred Duma Local Municipality, job creation remains one of our top priorities. Through local economic development initiatives, public works programmes, and municipal projects, we have created opportunities for both immediate employment and skills growth. These efforts are not just about jobs, they are about restoring dignity and building pathways to a better future. It is particularly important to ensure that skills development also goes hand in hand with job creation and development of the economy. When it comes to building and restoring infrastructure, we know that a thriving community needs strong foundations.

This year, we have invested in the refurbishment of key infrastructure from repairing and resurfacing roads, community halls and high mast and streetlights. These projects ensure that our municipality remains functional, reliable, and ready to grow. Notwithstanding the challenges posed by heavy rains and flooding within our municipality, our engineering solutions are looking into upgrading storm water drainage, reinforcing riverbanks, and building flood diversion channels. Such proactive measures protect homes, businesses, and community spaces while preparing us for the realities of climate change.

Running a municipality is about more than systems and budgets it is about people. Our administration continues to strengthen governance, improve service delivery, and work openly with the community in all 37 wards. Through community forums, stakeholder engagements, and open lines of communication, we are ensuring that every voice matters in shaping our shared future.

As we move forward, our vision remains clear, a municipality that works for all, economically vibrant, culturally united with developed industries and history.

THE MAYOR
ALFRED DUMA LOCAL MUNICIPALITY
CLLR: Z J SIBISI



1.2 MUNICIPAL MANAGER'S FOREWORD



As the Accounting Officer of the Alfred Duma Local Municipality, I would like to express my heartfelt gratitude to the Honourable Speaker, Councillor B P Sithole, Honourable Mayor, Councillor Z J Sibisi, Honourable Deputy Mayor, Councillor S Simelane, and all honourable councillors for their exceptional commitment during the 2024/2025 financial year. Their strategic leadership has guided the municipality while providing unwavering support to municipal officials, our community, and stakeholders.

This Annual Report is prepared in accordance with the Local Government, Municipal Systems Act, No. 32 of 2000 specifically Chapter 6, Section 46 which outlines annual performance reporting, and Chapter 3, Sections 9 and 10. The report also aligns with Sections 155 and 156 of the Constitution of the Republic of South Africa, which outline the establishment, powers, and functions of municipalities.

During the year under review, council conducted an extensive policy review process, revising over sixty policies to ensure the continued strengthening of municipal governance systems. Furthermore, portfolio committee meetings were regularly scheduled and attended to ensure that pressing community issues were addressed appropriately.

The municipality remains committed to transforming its service delivery landscape. Guided by our annual review of the Integrated Development Plan (IDP), this report presents the performance and progress made during the financial year 2024/2025, the fourth year of the current Council's term. This period has been characterised by decisive action taken in the best interests of our communities to improve governance, promote economic growth, improve service delivery, and foster social cohesion.

Furthermore, the municipality established a 24-hour Call Centre to receive community complaints and direct them to the appropriate departments for improved service delivery. The call centre has successfully assisted the municipality in addressing service delivery issues, resulting in a reduction of community protests to one for the financial year.

Reflecting on the previous financial year, we are pleased to report that the Alfred Duma Local Municipality has received an unqualified audit opinion for the financial year 2024/2025. The Municipality remains committed to obtaining a Clean Audit Outcome.

The municipal budget for the financial year 2024/2025 is fully funded. Approximately 71% of total budgeted revenue is generated from local sources, including electricity, rates, refuse removal, and other services while the remaining 29% is derived from grant funding. Current revenue collection trends show electricity as the highest income contributor, followed by property rates, refuse removal, and sundry debtors.

The municipality has two outstanding loans totalling R1,598,490 at the end of the financial year. One is with ABSA Bank, at a fixed interest rate of 9.10% and a balance of R445,868. The other is with DBSA, with a 5% fixed interest rate and a balance of R1,152,622.

The municipality has significantly reduced UIFW expenditure by continuously monitoring and implementing effective control measures, particularly in the Department Budget and Treasury. Effective consequence management was used in cases where UIFW expenditure was incurred, resulting in the recovery of some of the funds.

In accordance with Section 62 of the Municipal Finance Management Act, No. 56 of 2003, the municipality has established effective, efficient, and transparent risk management and internal control systems. The Ethics and Risk Management Committee is still fully operational, and the annual risk assessment exercise has been completed internally. The Ethics and Risk Management Committee monitors the Strategic, Operational, ICT, and Anti-Fraud and Corruption Risk Registers monthly, while the Audit Committee and Council do so quarterly.

Ongoing engagements between the municipality and the National Department of Cooperative Governance and Traditional Affairs have resulted in the municipality's approval to participate in the processes leading to the establishment of an intermediate city.

The municipality actively promotes an anti-fraud and anti-corruption culture among employees, management, and councillors through regular awareness campaigns and workshops in accordance with the Municipal Systems Act, No. 32 of 2000.

We remain committed to the municipality's vision, upholding the Batho Pele Principles and ensuring that all employees serve the community with dignity and dedication. Every executive position has been filled to improve governance, accountability, and operational efficiency. With a team of experienced and dedicated managers, we are confident in our ability to carry out our mandate and improve the lives of our residents.



MUNICIPAL MANAGER
ALFRED DUMA LOCAL MUNICIPALITY
MS SS NGIBA

1.3 MUNICIPAL OVERVIEW

1.1 INTRODUCTION AND BACKGROUND

DEMOGRAPHICS AND POPULATION GROWTH

The current population for the Alfred Duma Local Municipality is estimated to be 415 036 people with 193 713 male and 221 323 female as per the Census 2022 results from Statistics SA. The Dependency Ratio was 63.8% with the child dependency standing at 48.8% and the elderly dependency standing at 15%. In addition, according to Census 2022 Alfred Duma demonstrated an increase in educational level as school attendance of 5 to 24 years olds has increased from 110197 in 2011 to 113242 in 2022.

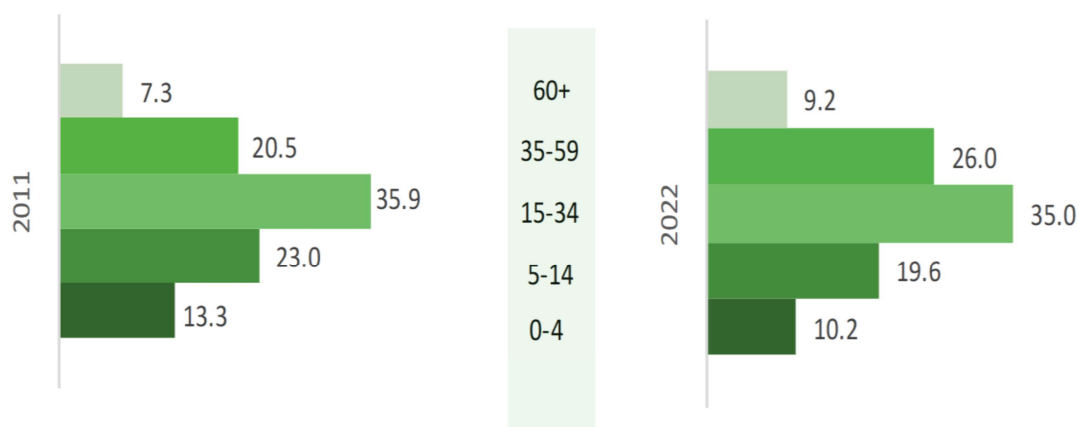
The table below depicts the population group by District and Local Municipality within UThukela jurisdiction in 2022.

Population group by District and Local Municipality		
	UThukela	Alfred Duma Local Municipality
Black African	740525	381851
Coloured	6759	4261
Indian or Asian	27859	19559
White	12484	8375
Other	1409	984
Unspecified	56	6
Total	789092	415036

(Source: Stats SA, 2022)

The graph below represents the population by age category Alfred Duma Local Municipality in 2022.

PERCENTAGE POPULATION BY BROAD AGE CATEGORIES (2011 AND 2022)



Source: (Stats SA, 2022)

The table below represent the population distribution by age category Alfred Duma Local Municipality in 2022.

Province, district and local municipality	CENSUS 2011						CENSUS 2022					
	0 - 4	5 - 14	15 - 34	35 - 59	60 +	Total	0 - 4	5 - 14	15 - 34	35 - 59	60 +	Total
Uthukela	89 488	156 454	238 219	134 931	48 979	668 071	82 059	158 963	273 575	203 264	71 212	789 073
KZN238: Alfred Duma	45 097	78 075	122 049	69 759	24 798	339 778	42 132	81 429	145 453	107 975	38 034	415 036

Source: (Stats SA, 2022)

The graph and table above indicate Alfred Duma population by age categories between 2011 and 2022. According to the graph and table it indicates a gradual decrease in population from 0 to 59 years old and an increase from 60 and above. One of the reasons that has led to decrease in the population is that the youth and working people migrate to other cities like Durban, Pietermaritzburg, Johannesburg, Cape Town, Pretoria and others looking for better jobs and education opportunities. Whereas, an increase from 60 upward is caused by people who are retiring and relocate back to their hometowns.

The table below presents summarized statistical data for the municipality: -

TOTAL POPULATION	415036
POPULATION GROWTH RATE	1.9%
AVERAGE HOUSEHOLD SIZE	5.2%
UNEMPLOYMENT	34%
FLUSH OR CHEMICAL TOILETS	59.5%
PIT TOILETS	40.5%
PIPED WATER INSIDE DWELLING	73.9%
WEEKLY REFUSE REMOVAL	58.1%
ELECTRICITY FOR LIGHTNING	70.7%
Gas	19.2%

(Source: Stats SA 2022)

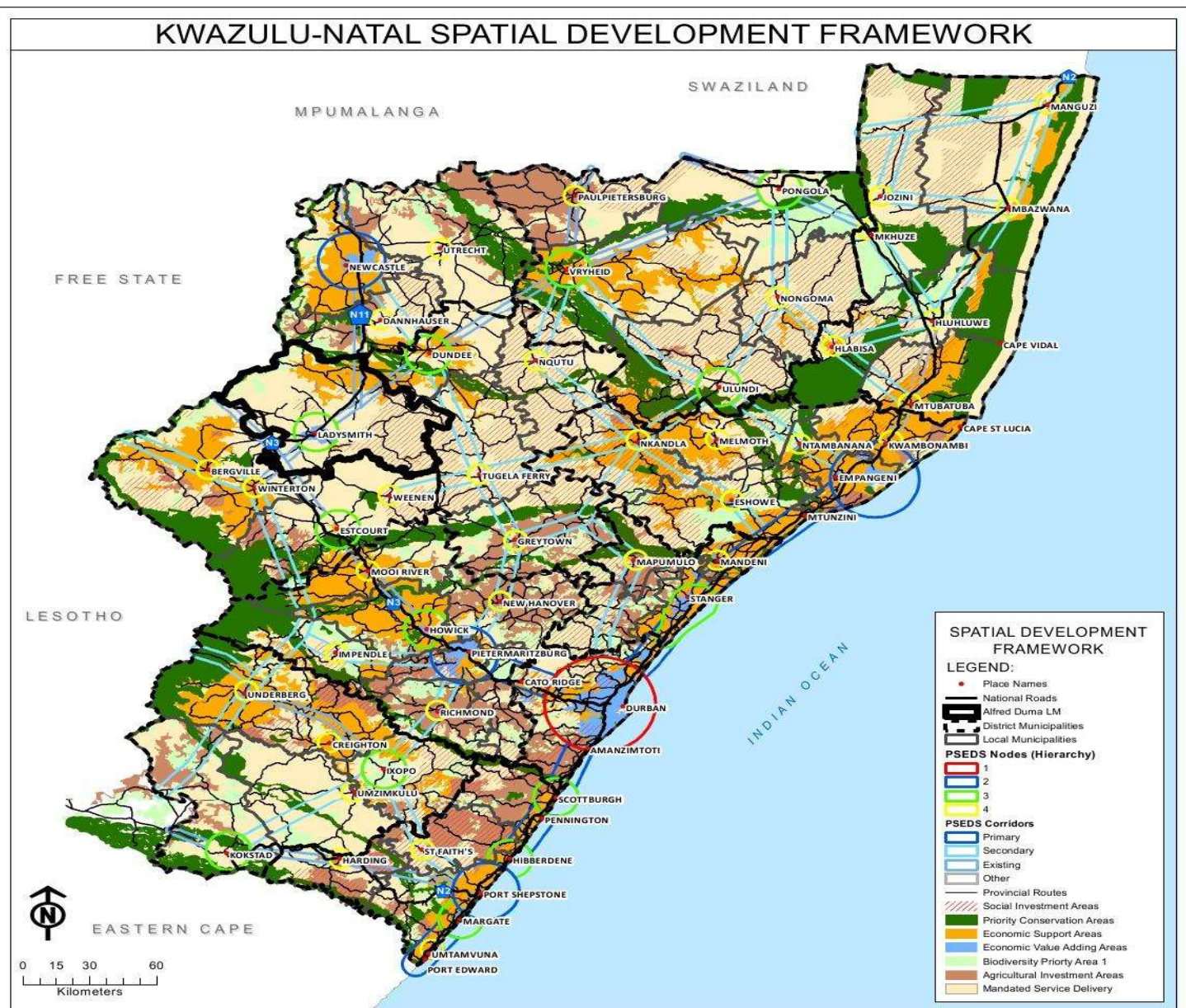
Alfred Duma Municipality spans over an area of 3 957.63 km² of which is dominated by 70% of rural settlements with limited basic services and infrastructure. ADLM comprises of 37 wards with 29 of those being rural wards and some of them administered by the Traditional Authorities name Inkosi Khumalo in Driefontein Block; Inkosi Shabalala in Matiwane; Inkosi Sthole, Inkosi

Zwane, Inkosi Mthembu and Inkosi Mabaso in Mhlumayo area and Inkosi Nxumalo, Inkosi Kunene, Inkosi Mbhensi and Inkosi Mchunu in the Limehill area.

ECONOMIC GROWTH

Alfred Duma Local spans over an area of 3 957.63 km² of which 70% is rural land, some associated with limited basic services and infrastructures. The municipality is laid on the banks of the UThukela River within the region of Northern KwaZulu Natal. It's bordered by the Greater Drakensberg Mountain to the extreme West. In terms of the socio-economic macro context, the municipality is midway between the National Primary Nodes of Johannesburg and Durban. To the west of the municipality lies the Free State Province and to the north the Mpumalanga province. Bisecting the municipality is the presidential prioritised railway corridor which links the areas of Durban and Johannesburg.

The Maps above represents the location of Alfred Duma at a provincial and national overview of South African provinces.



(Sources: KZN-SDF 2023)

Alfred Duma Local Municipality comprises of the following areas:

- Ladysmith Area;
- Colenso;
- Ezakheni;
- Steadville;
- St Chads;
- Driefontein Complex;
- Matiwaneskop;
- Roosboom;

- Mhlumayo area;
- Limehill area;
- Uitval;
- Tholeni;
- Sahlumbe;

District Space Economy

The Alfred Duma Local Municipality forms part of the uThukela District Municipality which comprises of other 2 Local Municipalities, namely; Okhahlamba LM and Inkosi Langalibalele Local Municipality which formed by merging Umtshezi and Imbabazane local Municipalities.

In addition, the municipality is currently functions as the main economic hub of the District Municipality with most of the regional offices, smaller centres, farms and industries located within its jurisdiction. According to the District Management Area (DMA) of uThukela, the municipality covers approximately 3 957.63 km². It is located on the western boundary of KwaZulu Natal.

The Gross Value Added (GVA) measures the contribution made to an economy by one individual producer, industry, sector or region. Provincial Growth and Development Strategy (2019) outlined that, major economic activities are dominated by Durban, Pietermaritzburg and Richards Bay cities, while smaller towns and rural areas are accounting for less than 30% of the total provincial GVA.

ADLM overview of the economic sectors reveals five dominant sectors driving the economy of the municipality including community services (22.2%), manufacturing (19.5%), transport (16.9%), trade (13.3%) and finance (11.3%) which account for approximately 83% of the municipality's total Gross Value Added by Region (GVA-R) contribution.

LED Strategy (2018/2019) highlights that the nominal GVA for Alfred Duma was R11 866 000 000.85 and the real GVA being R8 607 000 000.19 as at 2019. ADLM contributes more than a third (37%) of uThukela Districts GVA. Within a period of five years from 2011 to 2015 the Alfred Duma GVA increased by only R622 000 000.04 translating to a mere 7.6% GVA growth in five years.

The table below illustrate shows the GVA contribution of KZN, uThukela and its local municipalities in 2001, 2006, 2011 and 2016.

Areas	2001	2006	2011	2016	Average Annual Growth 2001-2016
KZN	194 419	239 894	277 530	277 530	4%
uThukela	7 294	10 110	13 472	13 472	6%
Alfred Duma	3 993	4 892	5624	6204	13%
Umtshezi	1206	1 888	2779	4097	16%
Okhahlamba	1170	1 982	3141	3141	10%

Source: Statistics South Africa community survey 2016

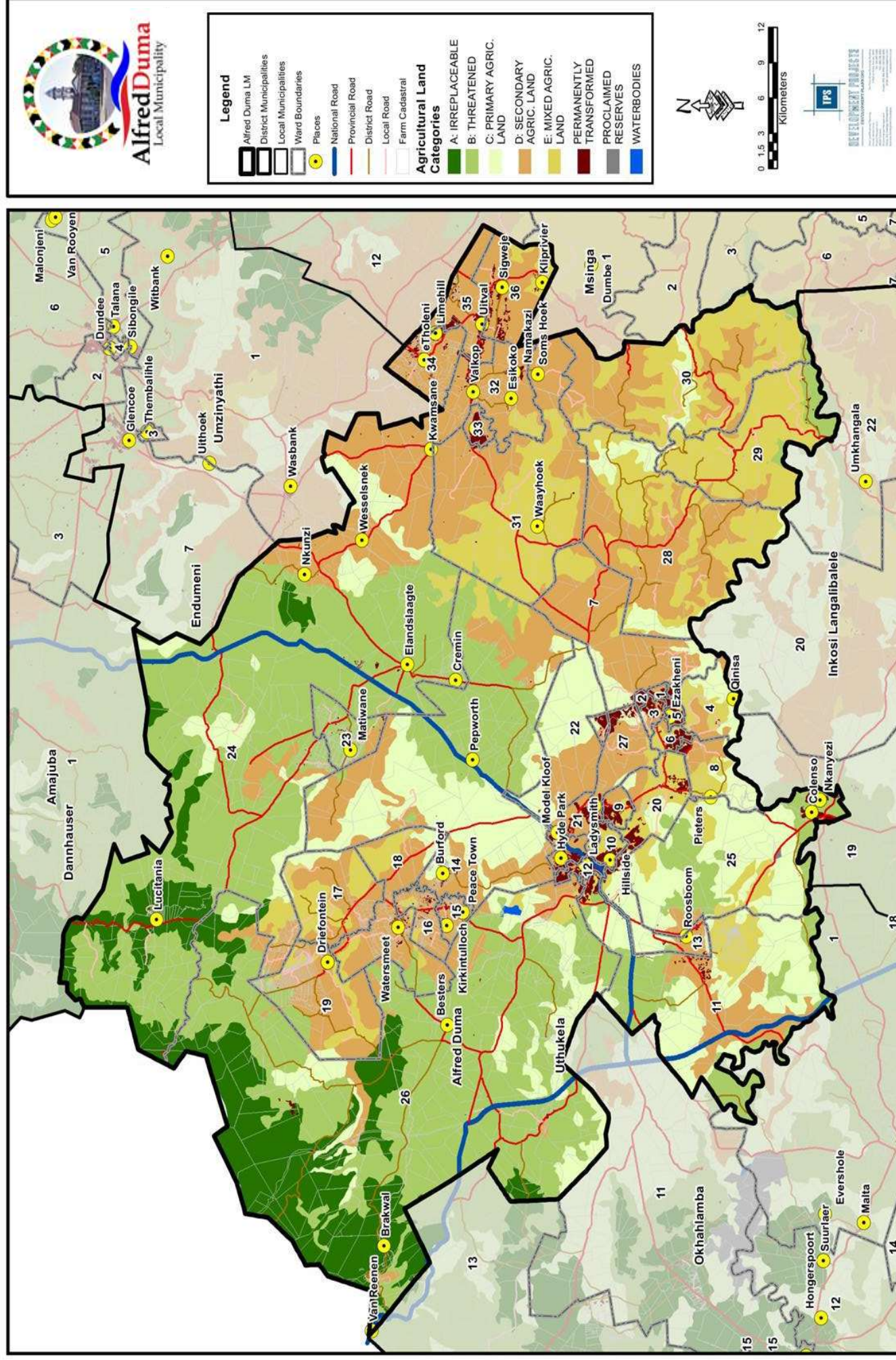
According to ADLM's SDF (2023/2024), state that municipality's economy is well established around Ladysmith as a major town with well-established and serviced areas for light-to-medium industries and commercial service centres. The municipality's Gross Domestic Product by Region (GDP-R) was estimated at R10.3 billion in 2016 accounting for approximately 61 percent of the district GDP (R17.1 billion).

This map indicates the local municipalities that forms uThukela District. Its further displays the movement infrastructure within district municipality. Dissecting the DMA space economy is the N11 Provincial Route which adjoins to the N3 National Route on the Northern parts of the municipality. This clearly illustrates the infrastructural strengths of the municipality within the district municipality that plays a major role in connecting the economy.

Local Space Economy

Alfred Duma Local Municipality encompasses of 37 wards with 22 of those being rural wards and some of them administered by the Traditional Authorities namely Inkosi Khumalo in Driefontein Block, Inkosi Shabalala in Matiwane, Inkosi Sthole, Inkosi Zwane, Inkosi Mthembu and Inkosi Mabaso Mhlumayo area and Inkosi Nxumalo, Inkosi Kunene, Inkosi Mbhensi and Inkosi Mchunu in the Limehill area. The map presents range of settlements from urban to municipal service centres, agricultural landscapes, industrial and semi-rural residential settlements. The 37 wards within the municipal jurisdiction will be represented by 73 councillors and the number of the Executive Committee was determined after Local Government Elections took place in November 2021.

The map below illustrates the spatial configuration of the Municipality.



Alfred Duma Local Municipality is the main economic hub of uThukela District Municipality and it dominates the spatial economy of the district. Ladysmith is the main/primary urban area/town in the ADLM. It is accessible via the N11 that connects the town with the N3 and traverse the town while making its way to the north.

The R103 from Colenso and Roosboom in the south intersects the N11 in the southeast. Residential suburbs include Egerton, Observation Hill, Reservoir Hill, Hospital Park, Rose Hill, Limithill and Modelkloof. Residential settlements include Steadville and Leonards Ville, with a border of commercial activities on its westernmost edge closest to the river and the CBD. Therefore, strategical location of the municipality with reference to the N11 and N3 development corridors places it in a particular competitive position and a well-established institutional environment and availability of bulk Infrastructure services.

Industrial areas include the Danskraal Industrial area to the north-east and further southeast is the industrial area of Nambiti. The south-westerly periphery of the CBD over the Klip River is characterised by public open space and recreational areas, including Settlers Park, the Indoor Sports Complex and the Aerodrome.

The remaining settlements are rural in nature except for Colenso and Ezakheni, and another minor township such as Steadville and Ekuvukeni. Moreover, there are numerous socio-economic activities that are taking place within ADLM.

Manufacturing activities are mostly concentrated in Ladysmith as compare to other local municipalities that forms the district. The major manufacturing sectors in ADLM include Zorbatex, Sumitomo Factory Tyres (Dunlop), Nestle, Eskort meat, Clover SA and Defy plant.

Tourism sector accomplishes an essential role in attracting investments and job creation opportunities. Certainly, ADLM is recognized as a significant historical tourism destination and offers numerous museums and historical sites. Therefore, this indicates that the municipality contains opportunity to exploit socio-economic opportunities in tourism sector.

Despite the aforementioned economic activities, an informal economy makes a significant contribution to the local economy and social life in ADLM. Undeniably, informal economy has been significant for jobs and income generation potential because of being relative ease of entry and low requirements for education and skills.

Supplementary, street trading is one of the key means of living in the municipality and makes an important contribution to the economic and social life. Hence, the municipality has identified an

opportunity to construct trading shelters for SMMEs and informal traders in strategic location such as nodes and around taxi ranks.

Below is the list of catalytic projects that ADLM has initiated in the previous five-year plan as to strive for the municipality goals reads as follow:

Project	Description of Project	Location	Status	Estimated Value
AGRIPARK & IT-INDUSTRIAL (Agri-Processing Hub)	A plant to process fresh vegetables into frozen packs and to slaughter chickens.	Mathews Farm Ladysmith	Equipment and Machinery Partnership/Mentorship	R4 Million
INDOOR SPORTS COMPLEX DEVELOPMENT	Development of mixed-use development (Primary node, high density residential, retail and offices, health care centres and restaurants	Ladysmith	Interested Investor / Developer	20 million
Animal Pound	Establishment of animal pound that will be provided with adequate services (buildings and furniture; infrastructure services such as water, electricity, fire extinguishers and tarred road; animal drinking fountains and shelters for animals).	Ladysmith Ward 11	Phase 1 has been completed within 2020/21 financial year. Phase 2 will commence in 2022/23 financial year.	P1= R 2 996 807.97 P2= R1 994 100.00
LADYSMITH BLACK MAMBAZO MUSIC ACADEMY	The Ladysmith Black Mambazo Indigenous Music Academy will offer a holistic cultural experience by creating platforms to showcase the talent of its students in the theatre, the studios and the amphitheatre.	NPA Site Development on the N11	Private Investor for the Development and Operating the Academy in Partnership with the Municipality.	R15 Million
DUNLOPE MIXED USE DEVELOPMENT	Establishment of light Industries along main road especial on bigger sites, Office Park (Eskom), Storages and	Helpmekaar	Interested Investor / Developer	R20 Million

	Residential at be back of the main road.			
CORNER HELPMENKAAR ROAD AND N11 DEVELOPMENT	The municipality intend to promote suitable development along the N11 Corridor not limited to petrol filling station, restaurants and supportive commercial activities. This is envisioned to play massive role in decentralizing developments in Ladysmith CBD, alternative pollution, dysfunctionality and traffic congestion chaos will be mitigated.	Ladysmith	Initial planning stage	R0.00
CENTRALISATION OF POULTRY PROJECT	The Alfred Duma Municipality seeks to achieve efficiencies in this sector and begin to produce poultry at an advanced commercial level.	Ezakheni, Pieters Rd near the Cemetery	Business Plan has been Drafted	R0.00
DEVELOPMENT OF LAND AROUND THE EZAKHENI PLAZA	Main emphasis is to support the Ezakheni Plaza through developing adjacent land parcels with supporting land uses. In addition, municipality's objectives aim at necessitating establishment of employment, revival of Ezakheni economic and enabling access to land for housing.	Ezakheni Section D	Interested Investor Developer /	Private Investment
SISONKE: WASTE RECYCLING	LED unit initiated this project to grow and develop local economy and environmental upkeep. Hence, this project is the implementation of	Ladysmith	The project has been completed in the financial year 2019/2020.	R2.3m

	Municipal Integrated Waste Management Plan.			
FORBES STREET INFORMAL MECHANICS	Municipality introduced this project with an intention of revitalizing Forbes precinct, through developing and enhancing local economy with its jurisdiction. Various approaches have been identified to formalise informal mechanics, to renew decaying buildings and upkeep of the street landscape.	Ladysmith (Forbes Precinct)	Construction of Forbes Taxi Rank with mechanics and informal trader's stalls has been completed and operating. However, the municipality still envisage to pursue with rehabilitation of the precinct through number of developments and up keeping.	R15m
LADYSMITH MINI AIRPORT (AERODROME)	This project comprises an upgrade of the existing aerodrome to a regional airport and construct associated facilities. The aerodrome is located just outside the town of Ladysmith to the west, heading towards Bergville.	Ladysmith	Private Public Partnership	R20 Million for services excluding maintenance
WATERSMEET WATER BOTTLING PLANT	Economic intervention aimed at addressing high unemployment and poverty levels in the area by encouraging community members to form cooperatives.	Watersmeet, Ward 16	Business Plan has been developed	R15m
ACCACIAVALE PHASE 1 HOUSING PROJECTS	The municipality anticipate an establishment of approximately 966 sites for diverse land uses (residential, commercial, community services, and other appropriate land uses.	Ladysmith (Acaciavale)	Planning Stage has been completed, current registering with S.G Office.	

COAL MINING PROJECT	A coal mining site has been identified on the border of Estcourt and Ladysmith and a power station will be established next to the coal mine along the banks of UThukela River.	On the border of Estcourt and Ladysmith	Planning Stage	
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Thus, with aforementioned the municipality exploit different approaches, strategies, plans and policies to ensure strongest economic viable. The municipality has aligned its approaches and strategies with strategic goals of KZN Provincial Growth and Development Strategy and Plan (PGDS, 2019). ADLM has initiated numeral socioeconomic development such as economic infrastructure; industrial, agriculture and tourism development; investment and export trade; entrepreneurial development; green economy and sustainable livelihoods.

CHAPTER 2: GOVERNANCE

2A. GOVERNANCE STRUCTURES

The Municipal Finance Management Act no 56 of 2003 (MFMA) Section 52 (a) states: "The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality".

In terms of section 9 (d) of the Municipal Structures Act 1998, the Alfred Duma Local Municipality should have an executive system combined with a Council system.

The Audit Committee reports directly to Council, providing opinions and recommendations on financial processes and performance. Thereafter their report is submitted to the Municipal Public Accounts Committee (MPAC).

The Municipal Public Accounts Committee (MPAC) is in place to reinforce the oversight arrangements in the Municipality and to ensure the efficient and effective use of municipal resources. Its key role is to consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report, as required in terms of section 121 of the Local Government: Municipal Finance Management Act and Circular no. 63 dated September 2012 issued by National Treasury.



(a) **Mayor: Councillor Z J Sibisi**

The Mayor is the Chairperson of the Executive Committee (EXCO). In terms of the Municipal Structures Act, Municipal Systems Act, Municipal Finance Management Act no. 56 of 2003 (MFMA) and Municipal Planning and Performance Regulations, the Mayor performs duties, including any ceremonial functions, and exercises the powers delegated to the mayor by the Municipal Council or Executive Committee.



(b) **Deputy Mayor: Councillor S Simelane**

The Deputy Mayor exercises the powers and performs the duties of the Mayor, if the Mayor is absent or not available.



(c) Speaker: Councillor B P Sithole

- Presides at the meetings of the Council.
- Ensures that the Council meets at least once a quarter.
- Strictly ensures that the Council meetings are conducted in accordance with the rules and orders of the Council.
- The provision of administrative and secretarial support services to all councillors. This support strengthens the effectiveness of councillors in their role as public representatives.



(d) Municipal Whip: Councillor S Sithole

The Municipal Whip performs duties that are delegated to him by Council; including the following but not limited to:

- Developed and approved a Code of Conduct for Councillors. The Council Speaker and the Council Municipal Whip have co-responsibility to ensure adherence to the Code of Conduct.

(e) Political decision-taking

Section 53 of the Municipal Systems Act no. 32 of 2000 stipulates inter alia that the respective roles and areas of responsibility of each political structure and political office bearer of the Municipality and of the municipal manager must be defined.

The section below is based on Section 53, of the Municipal Systems Act no. 32 of 2000, roles and responsibilities that was approved at the Council meeting of August 2016.

The political decision making at the Alfred Duma Local Municipality is supported by the Management Committee. Management decided on forwarding only issues that have to be submitted to EXCO and Council, either in terms of the EXCO and Council's delegated authority or through requests received from any of the Portfolio Committees.

Once the Executive Committee (EXCO) has accepted the recommendations, such recommendations are submitted to Council for consideration and adoption/noting respectively. In the few cases where there is no consensus on a matter within Council, such issue will go to the vote. Once the Minutes of the Council meeting has been adopted, the responsibility lies with the Accounting Officer to ensure that actions are taken to implement such resolutions.

MUNICIPAL COUNCIL

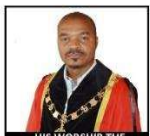
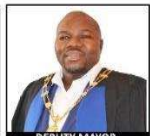
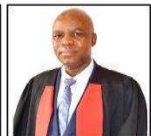
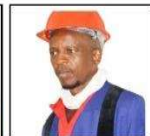
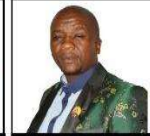
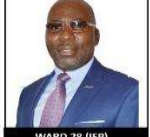
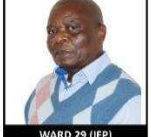
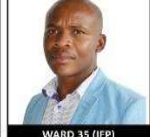
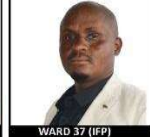
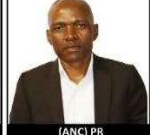
- Governs by making and administering laws, raising taxes, and taking decisions that affect people's rights;
- Is a tax authority that may raise property taxes and service levies;
- Is the primary decision maker and takes all the decisions of the Municipality except those that are delegated to the executive committee and/or administration;
- Can delegate responsibilities and duties for the purpose of fast and effective decision making;
- Must strive towards the constitutional objectives of local government;
- Must consult the community regarding local government matters; and
- Is the only decision maker on non-delegated matters such as the approval of the IDP and Budget.

The Municipal Council of the Alfred Duma Local Municipality consists of seventy-three (73) members. Thirty-seven (37) represent wards and the remainder of Councillors are proportional representatives elected to represent political parties based on proportional representation. The ruling party in Council is the Inkatha Freedom Party (IFP). The second Council Meeting held on 17 December 2021, elected the Mayor, Deputy Mayor, Council Speaker and Municipal Whip.

COUNCIL REPRESENTATION

Political Party	Number
Abantu Batho Congress (ABC)	1
African National Congress (ANC)	28
African People's Movement (APEMO)	1
Democratic Alliance (DA)	3
Economic Freedom Fighters (EFF)	5
Inkatha Freedom Party (IFP)	33
National Freedom Party (NFP)	1
National Political Alliance (NPA)	1
Total	73

ALFRED DUMA LOCAL MUNICIPALITY COUNCILLORS 2021-2026

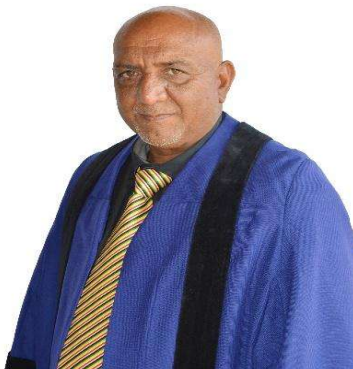
 HIS WORSHIP THE MAYOR (IFP) CILLR. Z.J. SIBISI	 DEPUTY MAYOR, WARD 36 (IFP) CILLR. S. SIMELANE	 SPEAKER (IFP) CILLR. B.P. SITHOLE	 CHIEF WHIP (ABC) PR CILLR. S. SITHOLE	 MPAC CHAIR WARD 12 (DA) CILLR. S. BUYS	 WARD 23 (IFP) CILLR. T.P. DLAMINI	 WARD 30 (IFP) CILLR. Z.J. MADONDO	 WARD 20 (IFP) CILLR. A.S.D. WARASALLY	 PR (EFF) CILLR. S.E. MADONDO
 (ANC)PR CILLR. A. MCHUNU	 (ANC)PR CILLR. T.P. NOKO	 (ANC)PR CILLR. T. HADEBE	 PR (ANC) CILLR. M.B. MBHELE	 WARD 1 (ANC) CILLR. S. MAKHATHINI	 WARD 2 (ANC) CILLR. S.X.M. ZWANE	 WARD 3 (ANC) CILLR. N.B. DLAMINI	 WARD 4 (ANC) CILLR. L.G. HLOPHUKA	 WARD 5 (ANC) CILLR. S.E. MNGADI
 WARD 6 (ANC) CILLR. N.J. SITHOLE	 WARD 7 (IFP) CILLR. K. MDULULI	 WARD 8 (ANC) CILLR. V.F. MEMELA	 WARD 9 (ANC) CILLR. N.S. SITHOLE	 WARD 10 (ANC) CILLR. X.P. MNGADI	 WARD 11 (ANC) CILLR. S.S. KHUMALO	 WARD 13 (DA) CILLR. A. RAIKOOMAR	 WARD 14 (IFP) CILLR. N.M. KHOZA	 WARD 15 (IFP) CILLR. X.O. KUBHEKA
 WARD 16 (IFP) CILLR. M.G. ZIKALALA	 WARD 17 (IFP) CILLR. T.C. MLABA	 WARD 18 (IFP) CILLR. S.I. MSIMANGO	 WARD 19 (IFP) CILLR. S.I. MSWANE	 WARD 21 (ANC) CILLR. S.B. ZIKALALA	 WARD 22 (ANC) CILLR. X.S. ZWANE	 WARD 24 (IFP) CILLR. T.N. NGCOBO	 WARD 25 (ANC) CILLR. N.P.B. MLOTSHWA	 WARD 26 (ANC) CILLR. N.D. MKHASE
 WARD 27 (IFP) CILLR. A.B. XABA	 WARD 28 (IFP) CILLR. B.C. MAJOLA	 WARD 29 (IFP) CILLR. B.N. MADONDO	 WARD 31 (IFP) CILLR. B.M. NZUZA	 WARD 32 (IFP) CILLR. S.E. NGUBANE	 WARD 33 (IFP) CILLR. S.M. NENE	 WARD 34 (IFP) CILLR. M. MAGASELA	 WARD 35 (IFP) CILLR. N. MBHENSE	 WARD 37 (IFP) CILLR. M. P. ZUNGU
 (IFP) PR, INKOSI CILLR. N. B. SHABALALA	 (IFP) PR CILLR. S.M. SITHOLE	 (IFP) PR CILLR. X.F. MHLONGO	 (IFP) PR CILLR. Z.T. THABEDE	 (IFP) PR CILLR. K.E. MJYAKHO	 (IFP) PR CILLR. F. ZUMA	 (IFP) PR CILLR. Z.P. NSUNTSHA	 (IFP) PR CILLR. K.E. SHABALALA	 (IFP) PR CILLR. N.E. ZWANE
 (IFP) PR CILLR. K. NTINI	 (DA) PR CILLR. M.R. SUDDABY	 (EFF) PR CILLR. L.C. DUBE	 (EFF) PR CILLR. L. NKOSI	 (EFF) PR CILLR. N.C. MTSHALI	 (EFF) PR CILLR. S. CEBEKHULU	 (ANC) PR CILLR. N.M. MBHENSE	 (ANC) PR CILLR. S.E. KUBHEKA	 (ANC) PR CILLR. S.O. NXUMALO
 (ANC) PR CILLR. L.B.M. KUBHEKA	 (ANC) PR CILLR. G.S. KUBHEKA	 (ANC) PR CILLR. I.G. HLONGWANE	 (ANC) PR CILLR. M.N. MLOTSHWA	 (ANC) PR CILLR. N. MLOTSHWA	 (ANC) PR CILLR. N.J. ZIKALALA	 (ANC) PR CILLR. M.V. KHUMALO	 (NPA) PR CILLR. L.C. SHANGE	
	 (APEMO) PR CILLR. P.M. NZUZA				 (NFP) PR CILLR. D.B. BIYELE			

EXECUTIVE COMMITTEE REPRESENTATION

Inkatha Freedom Party (IFP) 5, African National Congress (ANC) 4, Economic Freedom Fighters (EFF) 1



Mayor, Cllr. Z.J Sibisi. Strategic Planning, Governance and Finance Portfolio Chairperson	Deputy Mayor, Cllr. S. Simelane Technical and Infrastructural Services Portfolio Chairperson
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Cllr. Z.I Madondo, Corporate Services Portfolio Chairperson	Cllr. T.P Dlamini, Community and Social Services Portfolio Chairperson	Cllr. A.S.D Warasally, Spatial Planning, Economic Development and Housing Portfolio Chairperson	Cllr. S.E Madondo, Public Safety and Emergency Services Portfolio Chairperson
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2.1.1 Portfolio Committees

These committees are established in terms of Sections 79 and 80 of the Municipal Structures Act No. 117 of 1998, in order to deliberate and make recommendations to the Executive Committee.

The Council has six (6) portfolio committees and every political party is represented in all committees. Members of the Executive Committee are tasked with the responsibility of chairing the supporting committees. The committees are:

Members of the Community and Social Services Portfolio Committee

Member	Political Party
Cllr T P Dlamini (Chairperson)	Inkatha Freedom Party
Cllr S Cebekhulu	Economic Freedom Fighters (appointed to serve as member of the Committee on 31 January 2025)
Cllr G S Kubheka	African National Congress
Cllr S E Kubheka	African National Congress
Cllr K Mdluli	Inkatha Freedom Party
Cllr X F Mhlongo	Inkatha Freedom Party
Cllr X P Mngadi	African National Congress
Cllr Z T Thabede	Inkatha Freedom Party
Cllr S B Zikalala	African National Congress
TRADITIONAL LEADER	
Inkosi M A J Nkosi	

Members of the Corporate Services Portfolio Committee

Member	Political Party
Cllr Z I Madondo (Chairperson)	Inkatha Freedom Party
Cllr N B Dlamini	African National Congress

Cllr A Mchunu	African National Congress (appointed to serve as Member of the Committee on 5 December 2024)
Cllr L G Hlomuka	African National Congress
Cllr L G Hlonewane	African National Congress (appointed to serve as Member of the Committee on 5 December 2024)
Cllr S L Mswane	Inkatha Freedom Party
Cllr Z P Nsuntsha	Inkatha Freedom Party (appointed to serve as Member of the Committee on 20 January 2025)
Cllr A B Xaba	Inkatha Freedom Party
Cllr M G Zikalala	Inkatha Freedom Party
Cllr X S Zwane	African National Congress
TRADITIONAL LEADER	
Inkosi N C Zulu-Zondi	

Members of the Development, Planning & Human Settlements Portfolio Committee

Member	Political Party
Cllr A S D Warasally (Chairperson)	Inkatha Freedom Party
Cllr T Hadebe	African National Congress (appointed to serve as Member of the Committee on 13 January 2025)
Cllr N Mbhense	Inkatha Freedom Party
Cllr N D Mkhasibe	African National Congress
Cllr N Mlotshwa	African National Congress
Cllr M S Mngadi	African National Congress
Cllr S M Nene	Inkatha Freedom Party
Cllr K Ntini	Inkatha Freedom Party
Cllr F Zuma	Inkatha Freedom Party
TRADITIONAL LEADER	
Inkosi M A J Nkosi	

Members of the Public Safety and Emergency Services Portfolio Committee

Member	Political Party
Cllr S E Madondo (Chairperson)	Economic Freedom Fighters
Cllr M M Khoza	Inkatha Freedom Party (appointed to serve as Member of the Committee on 2 April 2025)

Cllr S S Khumalo	African National Congress (appointed to serve as Member of the Committee on 13 January 2025)
Cllr B N Madondo	Inkatha Freedom Party (appointed to serve as Member of the Committee on 2 April 2025)
Cllr B C Majola	Inkatha Freedom Party (appointed to serve as Member of the Committee on 2 April 2025)
Cllr S Makhathini	African National Congress
Cllr M N Mbhense	African National Congress
Cllr L Nkosi	Economic Freedom Fighters
Cllr N L Zikalala	African National Congress
TRADITIONAL LEADER	
Inkosi N C Zulu-Zondi	

Members of the Strategic Planning, Governance and Finance Portfolio Committee

Member	Political Party
Cllr Z J Sibisi (Chairperson)	Inkatha Freedom Party
Cllr L T Dube	Economic Freedom Fighters (appointed to serve as Member of the Committee on 31 January 2025)
Cllr X O Kubheka	Inkatha Freedom Party
Cllr L B M Kubheka	African National Congress
Cllr P P Mbambo	Economic Freedom Fighters (Resigned as a Councillor on 23 October 2024)
Cllr V F Memela	African National Congress
Cllr S L Msimango	Inkatha Freedom Party
Cllr T P Njoko	African National Congress (appointed to serve as Member of the Committee on 13 January 2025)
Cllr B M Nzuza	Inkatha Freedom Party
Cllr N J Sithebe	African National Congress
Cllr M R Suddaby	Democratic Alliance (appointed to serve as Member of the Committee as from October 2024)
TRADITIONAL LEADER	
Inkosi N C Zulu-Zondi	

Members of the Technical and Infrastructural Portfolio Committee

Member	Political Party
Cllr S Simelane (Chairperson)	Inkatha Freedom Party
Cllr M B Mbhele	African National Congress (appointed to serve as Member of the Committee on 13 January 2025)
Cllr T C Mlaba	Inkatha Freedom Party (appointed to serve as Member of the Committee on 2 April 2025)
Cllr N P Mlotshwa	African National Congress
Cllr A Rajkoomar	Inkatha Freedom Party
Cllr K E Shabalala	Inkatha Freedom Party (appointed to serve as Member of the Committee on 2 April 2025)
Cllr N S Sithole	African National Congress
Cllr S M Sithole	Inkatha Freedom Party
Cllr M P Zungu	Inkatha Freedom Party (appointed to serve as Member of the Committee on 2 April 2025)
Cllr S X M Zwane	African National Congress
TRADITIONAL LEADER	
Inkosi M A J Nkosi	

2.1.2 Section 79 Committees in terms of the Municipal Structures Act**Members of the Municipal Public Accounts Committee (MPAC)**

Member	Political Party
Cllr S A Buys (Chairperson)	DA (appointed as Chairperson on 31 August 2024)
Cllr B B Biyela	NFP
Cllr M V Khumalo	ANC (appointed to serve as Member of the Committee on 13 January 2025)
Cllr M Magasela	IFP
Cllr K E Mjiyakho	IFP
Cllr M N Mlotshwa	ANC
Cllr N C Mtshali	EFF
Cllr T N Ngcobo	IFP
Cllr S E Ngubane	IFP
Cllr O S Nxumalo	ANC

Cllr P M Nzuza	APEMO
Cllr L C Shange	NPA (appointed to serve as Member of the Committee on 13 January 2025)
Cllr N E Zwane	IFP

Members of the Rules Committee Members

Member	Political Party
Cllr B P Sithole (Chairperson)	IFP
Cllr B B Biyela	NFP
Cllr L B M Kubheka	ANC
Cllr S E Madondo	EFF
Cllr P M Nzuza	APEMO
Cllr A Rajkoomar	DA
Cllr L C Shange	NPA
Cllr S Sithole	ABC
Cllr N E Zwane	IFP
TRADITIONAL LEADER	
NIL	

Members of the Rapid Response Committee Members

Member	Political Party
Cllr B P Sithole (Speaker)	IFP
Cllr Z J Sibisi (Chairperson)	IFP
Cllr S Simelane (Deputy Mayor)	IFP
Cllr T P Dlamini	IFP
Cllr T Hadebe	ANC
Cllr S E Madondo	EFF
Cllr Z I Madondo	IFP
Cllr M B Mbhele	ANC
Cllr A Mchunu	ANC
Cllr T P Njoko	ANC
Cllr A S D Warasally	IFP

Members of the Women's Caucus Committee

Member	Political Party
Cllr N C Mtshali (Chairperson)	EFF
Cllr B B Biyela	NFP
Cllr S A Buys	DA
Cllr L T Dube	EFF (Sworn in as a Councillor in December 2024)
Cllr N B Dlamini	ANC
Cllr B B Gwala	EFF (Resigned as a Councillor on 23 October 2024)
Cllr T Hadebe	ANC
Cllr L G Hlonewane	ANC
Cllr G S Kubheka	ANC
Cllr L B M Kubheka	ANC
Cllr S E Kubheka	ANC
Cllr P P Mbambo	EFF (Resigned as a Councillor on 23 October 2024)
Cllr M N Mbhense	ANC
Cllr X F Mhlongo	IFP
Cllr K E Mjiyakho	IFP
Cllr M N Mlotshwa	ANC
Cllr N Mlotshwa	ANC
Cllr T P Njoko	ANC
Cllr Z P Nsuntsha	IFP
Cllr O S Nxumalo	ANC
Cllr K E Shabalala	IFP
Cllr L C Shange	NPA
Cllr N L Zikalala	ANC
TRADITIONAL LEADER	
Inkosi N C Zulu-Zondi	

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

Department	Head of Department	Designation	National key Performance Areas
Office of the Municipal Manager/ Mayoral Office	Ms. S S Ngiba	Municipal Manager	• IDP Process • Assessment of the municipality's performance management system • Assessment of whether the municipality performance system complies with the Act • An assessment of the alignment of objective, output and measures • Review of Risk Management Strategy and Framework • Ensuring effective and functional Internal Audit Systems • Legal Support Services • Youth Development and Empowerment • Community public consultation and ward committees • Communications and municipal branding • Sport management services • Effective and functional war rooms through Operation Sukuma Sakhe programmes • Women, children and people with disabilities empowerment
Department: Corporate Services	Ms. S N V Mavimbela	Executive Director: Corporate Services	• Leave Administration • Staff Records and Appointments • Administration of IOD's and Pension Claims • Training Programmes Undertaken and submissions to LGSETA • Employee Study Bursaries • Information Technology – Governance, Security Management, User Access • Control, Program Change Management, Services Continuity • Provision Council Support Services • Implementation of Employment Equity Plan • Compliance with National Archives and Records Management Act • Administration

Department: Public Safety and Emergency Services	Mr. P B B Simelane	Executive Director: Public Safety and Emergency Services	• Traffic and By-Law Enforcement. • Administration of Traffic Fines. • Provision of Security. • Municipal Fleet Management. • Registration and Licensing of Vehicles. • Driving Licence Testing Centre • Provision of Fire Fighting Services. • Disaster and Emergency Services.
Department Community and Social Services	Ms. N Nguse	Executive Director Community and Social Services	• Administration of the Thusong Centres. • Provision and maintenance of Community Facilities. • Provision of library services. • Provision of library outreach programmes in the rural areas. • Provision of Refuse Removal services. • Administration of environmental awareness campaigns and clean-up campaigns. • Administration of clearing of illegal dumping. • Provision and maintenance of recreational parks, cemeteries and sport facilities. • Administration and maintenance of public open spaces and private vacant spaces. • Provision, maintenance and administration of the municipal animal pound.
Department: Development, Planning and Human Settlements	Mr. M Z Kunene	Executive Director: Development, Planning and Human Settlements	• Administration of Land Sales • Administration of Housing Projects • Administration of LED Projects • Town Planning • GIS • Tourism and Museum

Department: Budget and Treasury	Mr. R A Jhetam	Chief Financial Officer	• Creditors Run and reconciliation • Long Term Loans Reconciliation • Grants Reconciliation • Fixed Assets Register and Asset Count • Investment and Interest Charged • Inventory / Stock Control • Cash Taking • Banking and Bank Reconciliation • Debtor Processes and Month End Trial Run for Services Rendered • Suspense Accounts; Commitments • Fruitless and Wasteful Expenditure • Journals Processed • Implementation of Indigent Policy • Salary Run, and ACB • Financial System Transaction Listing • Supply Chain Management Process • Contract Payments • Review of Mid-Year and Annual Financial Statements • Review of Mid-term and Annual Budget • Valuation roll and Rates Assessment
Department: Technical and Infrastructural Services which includes Infrastructural Services and Electrical Services	Mr. R Mazibuko	Executive Director: Technical and Infrastructure Services	• Job costing and Sundry Services • Plan Approvals, Building Inspection and Occupation Certificates • Projects and Grants Funding Received • Flood Management • Maintenance • Project Management • Job costing and Sundry Services • Maintenance • Electricity loss calculations • Electricity Meter Books, Final Error Report, Meter Changes and Bulk Consumer Accounts • Projects and Grants Funding Received • Project Management

ALL MUNICIPAL OVERSIGHT COMMITTEES

During the 2024/2025 financial year under review, the following number of Council oversight meetings were held:

Structure	No. of Meetings
EXCO	12
Special EXCO	4
Council	13

Special Council	0
Municipal Public Accounts Committee (MPAC)	10
Special Municipal Public Accounts Committee (MPAC)	0
Audit Committee	4
Special Audit Committee	1
Strategic Planning, Governance and Finance Portfolio Committee	12
Special Strategic Planning, Governance and Finance Portfolio Committee	1

2 B. INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

The Municipal Systems Act, No. 32 of 2000 (MSA) Section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution section 41.

Before 1994 South Africa had fragmented administrations: this meant that citizens were divided geographically with different population groups living in different suburbs and areas and only a small minority of residents benefited from development. Today South Africa has a unitary, yet decentralised, state with nine provincial governments and more than 283 municipalities.

The Constitution and the new democratic government recognise that the three spheres of government cannot function in isolation. Decentralisation and co-operation is critical to the successful transformation of the state in the coming decades.

The role of local government in Intergovernmental Relations has moved extensively from the symbolism of the past to meaningful interaction of common benefit with far reaching implications for the image of South Africa, and the development agenda at a local government level; with a further initiation of the District Development Model in 2019, which is an operational IGR instrument for strengthening cooperative governance and coordinating government spending to achieve efficient service delivery. DDM promotes collaboration, joint and coordinated implementation using planning and performance instruments and budgets at all government's levels.

In this regard it has been determined that the growing demands and complexity of South African municipal service-delivery imperatives have impacted significantly on the range and depth of skills and competencies required from within the municipal economy. This has necessitated serious consideration of municipal international relations as an increasingly viable conduit for scarce skills and resources. The Alfred Duma Local Municipality attends all IGR Forum meetings held at District and Provincial levels.

2.3.1 NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on National level:

- SALGA meetings

2.3.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on Provincial level:

- Premier's Co-ordinating Forum (Technical & Political Structures)
- MUNIMEC (Technical & Political Structures)
- Provincial Speakers Forum
- COGTA Local Government Indaba

The Municipality attends the following meeting on District Level:

- DDM Political Hub
- DDM Technical Hub
- DDM Economic Cluster Meetings
- DDM Governance Cluster Meetings
- DDM Justice Cluster Meetings
- DDM Social Cluster
- Speakers Forum

2.3.3 KZN MONITORING AND EVALUATION FORUM MEETINGS

The Alfred Duma Local Municipality, during the period under review, was involved in the KZN Monitoring and Evaluation Forum Meetings co-ordinated by KwaZulu-Natal Department of Co-operative Governance and Traditional Affairs.

The purpose of this committee is to deliberate on performance, monitoring, reporting and evaluation issues in municipalities.

The committee meets once a quarter. The Alfred Duma Local Municipality was represented in all four KZN Monitoring and Evaluation Forum Meetings that took place during the financial year 2024/2025.

The KZN M&E Forum meetings were held on the following dates:

DATE	VENUE	ALFRED DUMA LOCAL MUNICIPALITY'S OFFICIAL/S PRESENT
19 September 2024	Ms Teams Virtual Meeting	Ms N D Mwamba
11 December 2024	Ms Teams Virtual Meeting	Ms N D Mwamba and Ms B Nala
06 March 2025	Ms Teams Virtual Meeting	Ms N D Mwamba and Ms N B Sithole
18 June 2025	Ms Teams Virtual Meeting	Mr L Madlala

2C. PUBLIC ACCOUNTABILITY AND PARTICIPATION**2.4 PUBLIC MEETINGS**

Ward	No. of Targeted Meetings per Annum	No. of community meeting held per Annum	No. of Sectoral Reports Submitted in 2024/2025	Ward committee meetings held in 2024/2025
1	12	10	94	12
2	12	04	100	12
3	12	04	113	12
4	12	08	22	12
5	12	05	89	12
6	12	05	76	09
7	12	08	113	12
8	12	07	92	12
9	12	06	89	12
10	12	06	76	09
11	12	08	73	09
12	12	05	90	04
13	12	09	113	12
14	12	10	64	09
15	12	10	89	12
16	12	10	96	12
17	12	10	113	12
18	12	12	98	12
19	12	05	98	12
20	12	04	119	12
21	12	03	77	09
22	12	06	90	12
23	12	09	83	12
24	12	02	72	06
25	12	04	93	12
26	12	08	108	08
27	12	05	72	09
28	12	21	61	09
29	12	05	08	11
30	12	12	101	12
31	12	06	104	12
32	12	14	97	12
33	12	01	76	01
34	12	05	116	12
35	12	12	103	11
36	12	05	102	12
37	12	06	106	12

Reasons for not achieving target:

- Most of the time the quorum did not quorate.
- Budget constrains to hire tents for community meetings.

2.5 IDP PARTICIPATION AND ALIGNMENT

<i>Section 25 (1) (2) of the Municipal Systems Act, No. 32 of 2000 states that-</i>		
<i>(1) Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which—</i>		
<i>(a) links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;</i>		
<i>(b) aligns the resources and capacity of the municipality with the implementation of the plan;</i>		
<i>(c) forms the policy framework and general basis on which annual budgets must be based;</i>		
<i>(d) complies with the provisions of this Chapter; and</i>		
<i>(e) is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation</i>		
<i>(2) An integrated development plan adopted by a municipal council in terms of subsection (1) may be amended in terms of section 34 and remains in force until an integrated development plan is adopted by the next elected council.</i>		

Table: IDP Participation and Alignment Criteria

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

2D. CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

Municipal Finance Management Act, 56 of 2003 section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

- 1.1. Risk Management is one of management's core responsibilities according to section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality. It is a systematic and formalised process to identify, assess, manage, monitor, report and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Alfred Duma Local Municipality. When properly executed risk management, provides reasonable assurance that the institution will be successful in achieving its goals and objectives.
- 1.2. Risk Assessment is conducted annually with the assisted of the Provincial Treasury; through facilitating the process of identifying and assessing risk per Department to determine the magnitude of risk exposure by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives. The identified risks are prioritised which enables Management to focus more time, effort and resources on higher risk areas.
- 1.3. To mitigate the risks it is confronted with, Management implements control activities by establishing policies and appropriate procedures such as approvals, authorisations, segregation of duties, reconciliations and physical safeguards.
- 1.4. In addition, the Risk Management Section reports quarterly to the Management Committee, Audit Committee, all Portfolio Committees, Executive Committee and Council on progress made to mitigate high risks and attended trainings and workshops throughout the SALGA.
- 1.5. The Ethics and Risk Management Committee makes sure that it promotes ethics and oversees the ethical behaviour internal and external in the workplace.

2.7 STRATEGIC RISKS

No.	Magnitude (a)	Number of Risks	Total Action Plans	Total Action Plans Completed	Variance
1.	Critical	00	00	00	00
2.	Major	02	08	04	04
3.	Moderate	05	13	07	06
4.	Minor	01	02	01	01
5.	Insignificant	00	00	00	00
6.	Total	08	23	12	11

Risk Description	Action/ Control	Progress	Status	Time Frame
1. Inability to respond timeously and effectively when there is a disaster.	Desilting the Sediments	A task team was formed (UDM, COGTA, DSW, EDTEA and SANRAL) and meetings held regularly. A service provider for storm water management plan has been appointed.	Ongoing	Start date: 01/09/2024 Due date: 30/06/2025
	Accommodation Reserves during a disaster	Community halls and Indoor Sports complex reserved for accommodation during disasters	Done	Start date: 01/09/2024 Due date: 31/03/2025
	Emergency Evacuation Drills	Evacuation route poster has been posted on all municipal buildings and communicated to all employees for the fire drills and emergency evacuation drill practice.	Ongoing	Start date: 01/09/2024 Due date: 31/03/2025
	Backup Generators	The backup Generators are on standby for any emergency that is taking place within the municipality. Monitored once per month.	Done	Start date: 01/09/2024 Due date: 30/06/2025
2. Inability to create an enabling environment to develop and grow local economy.	Finalise and approve LED Strategy	The LED strategy was adopted by the council on the 16 May 2024, for submission to COGTA as part of the IDP Sector Plan Assessment. The assessment result indicated much improvement from the previous financial year. Now waiting for the formal communique of the ADLM IDP Assessment and COGTA MEC's comments.	Done	Start date: 01/09/2024 Due date: 31/03/2025
	Strengthen civil society	The civil society forums (women, youth and disability forums) are alive within the municipality, have meetings quarterly.	Ongoing	Start date: 01/09/2024 Due date: 30/06/2025
	Finalise the Tourism Development strategy (DPHS)	The LED Strategy was adopted by the council on the 16 May 2024, for submission to COGTA as part of the IDP Sector Plan Assessment.	Ongoing	Start date: 01/09/2024 Due date: 30/06/2025
	Finalise Agricultural & Rural	Approved by council in 16 May 2024 for 2024-2025 Financial year.	Done	Start date: 01/09/2024 Due date: 31/03/2025

	Development Plan ((DPHS)			
3. Inability to meet service delivery needs	Develop Integrated Transportation Plan	Development, Planning and Human settlements will take the lead with the support of various departments.	Ongoing	Start date: 01/09/2024 Due date: 30/06/2025
	Acquiring Land for future	R6 000 000 funding secured from DOHS, conveyancers busy with transfer of property.	Ongoing	Start date: 01/09/2024 Due date: 30/06/2025
4. Vulnerability to Fraud and Corruption	Nomination of Ethics Officer/Champion	All Ethics & Risk Champions were appointed on the 1/07/2024 and Workshop was done to all Ethics and Risk Champions on first quarter.	Done	Start date: 01/09/2024 Due date: 31/03/2025
	Workshop Employees on Fraud and Corruption	The Workshop to all Staff regarding Anti-Fraud & Anti-Corruption and code of ethics policies was conducted internally by the Ethics and Risk Office. The Workshops were conducted from the 17 - 19 March 2025.	Done	Start date: 01/09/2024 Due date: 30/06/2025
	Conducting Financial Management workshop to employees.	Financial Literacy is being Planned by EAP officer, in due course the commencement dates for various departments.	Ongoing	Start date: 01/09/2024 Due date: 30/06/2025
5. Inability to manage & sustain municipal finances	Traffic Management System	The new appointed service provider (Mavambo), has started with the integration of the new system and MUNSOFT.	Done	Start date: 01/09/2024 Due date: 30/06/2025
	Regular Training on SCM Policies	National Treasury support conducted SCM Training. MFMA Training conducted on 22/10/2024.	Done	Start date: 01/09/2024 Due date: 30/06/2025
	Revenue Enhancement Strategy to be reviewed	Revenue Enhancement Strategy was reviewed and approved by council 27 June 2024.	Done	Start date: 01/09/2024 Due date: 31/03/2025
6. Failure to attract & Retain workforce	Cascading of individual Performance from Task grade 3 to 11	All departments have their performance agreements drafts, the municipality will now begin with the signing of agreements from task grade 3 to 11	Ongoing	Start date: 01/09/2024 Due date: 30/06/2025

	Human Resource Strategy Reviewed	Reviewed & approved by council on 14 April 2024 annual basis.	Done	Start date: 01/09/2024 Due date: 31/03/2025
	Workshop User Departments on Individual Performance Policy	Training based on Workplace skills plan/annual trainings report conducted annually in the month of February 2025 various departments.	Ongoing	Start date: 01/09/2024 Due date: 30/06/2025
7. Uncoordinated Planning to Guide Future Development	Phase 1 for Land Audit Finalised	A service provider has completed and submitted phase 1 of land Audit.	Done	Start date: 01/09/2024 Due date: 30/06/2025
	Conduct Planning Studies for development projects	All housing projects are aligned with the plans of relevant stakeholders	Ongoing	Start date: 01/09/2024 Due date: 30/06/2025
8. Inability to achieve clean audit	Conduct Data Cleansing	The Revenue & Creditors Control is on Phase 2 of data Cleansing dealing with debtor's update of information and the exception report. Budget & treasury has implemented the credit control module. Currently cell phone numbers, meter numbers are being linked to account numbers.	Ongoing	Start date: 01/09/2024 Due date: 30/06/2025
	Measure and Report section 54/56 Managers Performance in line with the predetermined objectives in their annual performance plan.	The Section 54 and Section 56 managers were appointed, signed their 2024/2025 performance agreements and it was sent to the MEC-COGTA on the 18 July 2024. The performance plans are aligned to the predetermined objectives. Some section 54 managers/ Executive directors have been appointed to permanent positions.	Done	Start date: 01/09/2024 Due date: 30/06/2025

2.8. OPERATIONAL RISK REGISTER

Office of the Municipal Manager (Operational Risks)

No.	Magnitude	Number of Risks	Total Action Plans	Total Action Plans Completed	Variance
1.	Critical	01	04	04	00
2.	Major	01	01	01	00
3.	Moderate	00	01	00	00
4.	Minor	00	00	00	00
5.	Insignificant	00	00	00	00
TOTALS		02	05	05	00

Risk Description	Task Details	Progress	Status	Time Frame
1. Ineffective implementation enterprise risk management process	Develop Annual Risk Management Implementation Plan	Annual Risk Management Implementation Plan completed.	Done	Start date: 01/09/2024 Due date: 31/03/2025
	Update and Review the Fraud and ICT Risk Register	Risk assessments was conducted with all department on May 2024	Done	Start date: 01/09/2024 Due date: 31/03/2025
	Conduct Risk Management Trainings for management and staff	Risk Management trainings conducted by municipality on the 03/11 June 2024.	Done	Start date: 01/09/2024 Due date: 31/03/2025
	Review the constitution off the Risk Management Committee by appointing Head of Department as members of the committee	All risk related policies were adopted by the council and approved on the 25 April 2024. The manager: Administration and Records Management was appointed as the Chair of Ethics and Risk Management Committee and all Committee members were appointed on the 1 July 2024.	Done	Start date: 01/09/2024 Due date: 31/03/2025
2. Inadequate implementation of	Approve Communication Strategy and plan	The Strategy was approved and adopted	Done	Start date: 01/09/2024

communication processes for both internal and external municipal stakeholders		by the council in 25 April 2024.		Due date: 30/06/2025
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Budget and Treasury Office (Operational Risks)

No.	Magnitude	Number of Risks	Total Action Plans	Total Action Plans Completed	Variance
1.	Critical	00	00	00	00
2.	Major	01	02	02	00
3.	Moderate	03	10	09	01
4.	Minor	00	00	00	00
5.	Insignificant	00	00	00	00
TOTALS		04	12	11	01

Risk Description	Task Details	Progress	Status	Time Frame
1. Failure to act and collect outstanding debt	Conduct data cleaning exercise	The Revenue & Creditors Control is on Phase 2 of data Cleansing dealing with debtor's update of information and the exception report. Budget & treasury has implemented the credit control module. Currently cell phone numbers, meter numbers are being linked to account numbers.	Done	Start date: 01/09/2024 Due date: 30/06/2025
	Conduct awareness on incentive initiatives	Adverts have been placed in local newspapers and website, and regular posting on social media	Done	Start date: 01/09/2024 Due date: 31/03/2025
2. Ineffective implementation of supply chain management processes	Workshop end-user departments on Supply Chain Management standard operating procedures and system	SCM training has been conducted on 22/10/2024.	Done	Start date: 01/09/2024 Due date: 31/03/2025

	Train Bid Committees on Annual Supply Chain Management updates	Bid Committee and PMFA Training conducted on the 20/02/2025.	Done	Start date: 01/09/2024 Due date: 31/03/2025
	Conduct training for Supply Chain Management, staff on SCM processes and system	Bid Committee and PMFA Training conducted on 20/02/2025.	Done	Start date: 01/09/2024 Due date: 31/03/2025
	Update the Supply Chain Management compliance checklist to include the identification process of UIFW expenditure	The SCM checklist has been updated monthly.	Done	Start date: 01/09/2024 Due date: 31/12/2025
3. Inadequate asset management	Full Asset Management Module on the Munsoft system	Full implementation of Asset Management Module on the Munsoft system	Done	Start date: 01/09/2024 Due date: 31/03/2025
	Conduct training for Assets Management Champions	The Asset steering committee was conducted where assets champions were briefed on what is expected from them and what they should expect from the asset unit.	Done	Start date: 01/09/2024 Due date: 31/03/2025
	Conduct training to assets management units on GRAP standards updates	Training to assets management units on GRAP standards was conducted 20/02/2025	Done	Start date: 01/09/2024 Due date: 31/03/2025
	Finalise compiling of inventory listings per office and signoff by assets custodians	Inventory listings per office and signoff by assets custodians	Done	Start date: 01/09/2024 Due date: 30/06/2025
4. Failure to pay creditors within 30 days	Conduct training of expenditure management processes to officials	The expenditure unit has workshopped all departments into the payment process as well as the submitting of correct invoices with the correct supporting documentation.	Ongoing	Start date: 01/09/2024 Due date: 31/03/2025
	Consistently perform monthly creditors reconciliation	Creditors Monthly Reconciliation is done on monthly basis.	Done	Start date: 01/09/2024 Due date: 31/03/2025

Corporate Services (Operational Risks)

No.	Magnitude	Number of Risks	Total Action Plans	Total Action Plans Completed	Variance
1.	Critical	01	02	01	01
2.	Major	01	01	00	01
3.	Moderate	01	02	00	02
4.	Minor	00	00	00	00
5.	Insignificant	00	00	00	00
TOTALS		03	05	01	04

Risk Description	Task Details	Progress	Status	Time Frame
1. Inadequate provisions of the Occupational Health and Safety Act	Ensuring Occupational health and Safety Compliance as per occupational Health and safety Act No.85 of 1993 in all departments.	Awareness campaigns have been planned in partnership with the Department of Health on 26/27 June 2025 to all staff. All Fire extinguishers have been serviced to comply with OHS regulations. OHS quarterly meeting were conducted. Evacuation drills conducted to all department. 2. The OHS office in partnership with PMU and Fire section have evaluated existing evacuation drills plans, identifying gaps and drafting plans for implementation. OHS signage procured and displayed.	Done	Start date: 01/09/2024 Due date: 31/03/2025
	Source funding to procure Occupational Health Safety Requirements.	Allocate sufficient budget for OHS in the next financial year 2025/2026.	Ongoing	Start date: 01/09/2024 Due date: 31/03/2025
2. Insufficient storage space for record keeping	Source budget to procure electronic records management system	Business Plan and Presentation Request was submitted to Provincial COGTA for funding of the electronic records management system.	Ongoing	Start date: 01/09/2024 Due date: 31/03/2025

3. Inadequate employee assistance programmes	Establish a relationship with relevant stakeholders to refer employee wellness cases.	Department of Health and relevant stakeholders have agreed to visit ADLM to conduct educational and awareness campaigns quarterly.	Ongoing	Start date: 01/09/2024 Due date: 31/03/2025
	Engage the Local Clinic to have a monthly visit by nurses to conduct awareness campaign on employee wellness programmes explore the possibility of appointing employee wellness specialist panel to be utilized on a need basis.	The department Corporate Services is currently working on a bid document to advertise for a panel of doctors.	Ongoing	Start date: 01/09/2024 Due date: 31/03/2025

Development, Planning, and Human Settlement (Operational Risks)

No.	Magnitude	Number of Risks	Total Action Plans	Total Action Plans Completed	Variance
1.	Critical	01	04	03	01
2.	Major	00	00	00	00
3.	Moderate	00	00	00	00
4.	Minor	00	00	00	00
5.	Insignificant	00	00	00	00
TOTALS		01	04	03	01

Risk Description	Task Details	Progress	Status	Time Frame
1. Inability to attract potential investors and retain existing businesses in the municipal area	Establish Local Economy Development Forum	LED Tourism Forum has been established and meetings held quarterly.	Done	Start date: 01/09/2024 Due date: 31/03/2025

to grow local economy	Appoint a panel of service Providers to source funding /implement Local Economic Development projects	A new Funding proposal has been submitted to KZN COGTA for funding consideration.	On going	Start date: 01/09/2024 Due date: 31/12/2025
	Procure fleet and equipment for agricultural services	The Service Provider to supply the two (2) Furrow Plows has been appointed and has been delivered.	Done	Start date: 01/09/2024 Due date: 30/06/2025
	Review informal economy Policy	The reviewed Informal economy policy was adopted by council.	Done	Start date: 01/09/2024 Due date: 31/03/2025

Technical and Infrastructure Services (Operational Risks)

No.	Magnitude	Number of Risks	Total Action Plans	Total Action Plans Completed	Variance
1.	Critical	01	02	00	02
2.	Major	01	02	02	00
3.	Moderate	02	02	02	00
4.	Minor	00	00	00	00
5.	Insignificant	00	00	00	00
TOTALS		04	06	04	02

Risk Description	Task Details	Progress	Status	Time Frame
1. Inability to develop, upgrade and maintain municipal electricity infrastructure	Continuously conduct meter sweeping	A Service provider was appointed to reduce illegal electricity connections in Alfred Duma Local Municipality and is conducting daily meter sweeps. Funding has been requested for the 2025-2026 financial year to update the Electricity masterplan. The National Energy regulator of South Africa (NERSA) Approved a 12.74% Eskom tariff increase and 11.32% increase for Municipal bulk electricity purchases, effective 1 July 2025.	On going	Start date: 01/09/2024 Due date: 30/06/2025
	Install electricity meters on municipal facilities	Electricity meters have been installed on municipal facilities	Ongoing	Start date: 01/09/2024 Due date: 30/06/2025
2. Inadequate maintenance of municipal infrastructure	Procure additional yellow plant	Request has been made to procure additional fleet and has been received.	Done	Start date: 01/09/2024 Due date: 30/06/2025
	Explore the external funders for the funding for maintenance	Application of Funding was made and approved by NDMC to rehabilitate the asset that was damaged during previous floods and has been received.	Done	Start date: 01/09/2024 Due date: 30/06/2025
3. Failure to complete infrastructure projects within the set time frames	Create the municipal database of terminated contractors to ensure that non-compliant contractors are not re-appointed	The departments PMU closely monitor all projects. SCM blacklist non-performing contractors.	Done	Start date: 01/09/2024 Due date: 30/06/2025
4. Flooding of Lower Levels of Areas in Ladysmith	Reduce backflow of water from the river to the low-lying areas /roads within CBD, when the river is at its full capacity.	Two valves have been installed, continuous maintenance of Klip river is ongoing. ADLM has hired a team a team (excavator, trucks and TLB) to desilt the sediments on the Klip river channel focusing on the two	Done	Start date: 01/09/2024 Due date: 30/06/2025

		cross section that are causing backflow during heavy rains.		
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Community and Social Services (Operational Risks)

No.	Magnitude	Number of Risks	Total Action Plans	Total Action Plans Completed	Variance
1.	Critical	00	00	00	00
2.	Major	00	00	00	00
3.	Moderate	02	06	05	01
4.	Minor	00	00	00	00
5.	Insignificant	00	00	00	00
TOTALS		02	06	05	01

Risk description	Task Details	Progress	Status	Time Frame
1. Inadequate waste collection and cleansing of the municipal area	Identify site to construct a new landfill site	The identification of the new landfill site process - regular meetings are being held with Town Planning Section.	Ongoing	Start date: 01/09/2024 Due date: 30/06/2025
	Procure Waste Collection Truck	Compactor waste collection truck was purchased	Done	Start date: 01/09/2024 Due date: 30/06/2025
	Review illegal dumping plan	Illegal dump removals is conducted every two week in each ward. Illegal dump removal program is actively in place.	Done	Start date: 01/09/2024 Due date: 30/06/2025
	Procure additional skip bins	New concrete bins procured.	Done	Start date: 01/09/2024 Due date: 30/06/2025
2. Inadequate safeguarding, under-utilization and maintenance of	Conduct community awareness.	Community awareness programs are currently underway partially successful due to	Done	Start date: 01/09/2024 Due date: 31/12/2025

municipal public facilities.		unwillingness of communities to engage on municipal programs		
	Establish Public Private Partnership agreements with Izinduna	Encouraging private-public partnership is an on-going process with private stakeholders (Community organizations, Schools, traditional leaders) this to activate community ownership of municipal facilities.	Done	Start date: 01/09/2024 Due date: ongoing

Public Safety and Emergency Services (Operational Risks)

No.	Magnitude	Number of Risks	Total Action Plans	Total Action Plans Completed	Variance
1.	Critical	00	00	00	00
2.	Major	01	01	00	01
3.	Moderate	00	00	00	00
4.	Minor	00	00	00	00
	Insignificant	00	00	00	00
TOTALS		01	01	00	01

Risk Description	Task Details	Progress	Status	Time Frame
Radio Coverage for the entire municipal area	The radio communication to be procured	The Radio communication has been procured and the SLA has been signed by the accounting officer and invoice has been forwarded to the Finance department.	On going	Start date: 01/09/2024 Due date: 30/06/2025

2.9. ANTI- FRAUD AND ANTI CORRUPTION RISK REGISTER

Over and above the general Risk Register prepared by the Municipality, there was still a need to formulate a Register solely for the detection, prevention and mitigation of fraud and corruption. The Register is also assessed as to whether the Action Plans to mitigate risks identified were fully implemented during the course of the financial year.

Also, the Risk Management Section has circulated a pamphlet with a face of the mayor at the forefront leading the awareness campaign against any wrongdoing which might occur to all internal and external stakeholders. The pamphlet has necessary reporting tools as per the approved Whistle Blowing Policy. This is part of the awareness campaign the office embarked on workshop of Code of Ethics and Anti-Fraud & Anti – Corruption during the month of March 2025 to the whole staff.

Anti-fraud and corruption policies and strategies have been adopted by Council for implementation in the upcoming financial year. Internal control deficiencies will be identified and more stringent controls put in place.

The Office of the Municipal Manager is ensuring that consequence management is applied where and when there are instances of alleged fraud and corruption, unauthorised, irregular, fruitless & wasteful (UIFW) expenditure and any other wrongdoing.

No.	Magnitude	Number of Risks	Total Action Plans	Total Action Plans Completed	Variance
1.	Critical	06	06	04	02
2.	Major	00	00	00	00
3.	Moderate	00	00	00	00
4.	Minor	00	00	00	00
5.	Insignificant	00	00	00	00
TOTALS		06	06	04	0

Risk Description	Action/ Control	Progress	Status	Time Frame
1. Poor Stock Control	Using Munsoft Financial System to control stock and implement more stringent security measures	Quarterly stock counts conducted. Munsoft reconciliations are done daily to confirm stock movement. Approved Inventory Management Policy 16 May 2024.	Done	Start date: 01/09/2024 Due date: 31/03/2025
2. Appointment of Unqualified and Incompetent contractors and sub-contractors	Close monitoring of contractors and sub-contractors by consultants and municipal technicians	Appointment of Bid Committees. Bill of Quantities to guide payments is in place. Assessment of service providers is conducted by verifying CIBD, CDS, Financial Statement and Tax Pin.	Done	Start date: 01/09/2024 Due date: 31/03/2025
3. Illegal connections made by electricians	Fines to be charged for stealing electricity	Service provider has been appointed to deal with illegal connections to all wards that have been connected by the Municipality.	Ongoing	Start date: 01/09/2024 Due date: 31/03/2025

4. Payments for illegal tampering & connections to meter inspectors	Meter Audits carried out daily	Meter audits are carried out regularly. Disconnections carried out for defaulters by the appointed service provider.	Ongoing	Start date: 01/09/2024 Due date: 31/03/2025
5. Sale of critical bid information, contract details, or other sensitive information	Declaration of Interest by Bid Committee and Supply Chain management Staff	Trainings were held with the provincial treasury during the month 22-23 October 2024.	Done	Start date: 01/09/2024 Due date: 31/03/2025
6. Job Opportunities Scam	Conducting Awareness campaigns to the public on the recruitment policy	Awareness campaigns conducted. No new cases reported. Fraud and Corruption Hotline available on the municipality website.	Done	Start date: 01/09/2024 Due date: 31/03/2025

2.10 ICT Risk Register

Information and Communications Technology (ICT) is one of the critical areas in the running of the organisation, therefore Management prepared a separate register dealing with ICT related issues.

No.	Magnitude	Number of Risks	Total Action Plans	Total Action Plans Completed	Variance
1.	Critical	00	00	00	00
2.	Major	03	14	10	04
3.	Moderate	03	11	07	04
4.	Minor	01	03	03	00
5.	Insignificant	00	00	00	00
TOTALS		07	28	20	08

RISK Description	Action/Control	Progress	Status	Time Frame
1. Information Technology Physical Access and Environmental Controls	24/7 Monitoring CCTV Cameras	CCTV is implemented, monitored and managed by Public Safety security personnel in the Surveillance Control Room and footage is recorded. Monitoring is ongoing.	Ongoing	Start date: 01/07/2024 Due date: 30/06/2025
	Test and servicing of the aircons, fire extinguishers and smoke detectors.	Testing and servicing are done bi-annually.	Done	Start date: 01/07/2024 Due date: 31/03/2025
	Monitoring biometric access control system	Biometric Access Control System has been implemented for access to the IT Server Room and Offices.	Done	Start date: 01/07/2024 Due date: 31/03/2025

	Source more funding for aging ICT infrastructure	Source funding within the municipality.	Ongoing	Start date: 01/07/2024 Due date: 30/06/2025
	Security Personnel on-site 24/7	Security Personnel on-site 24/7	Ongoing	Start date: 01/07/2024 Due date: 30/06/2025
	Test to ensure UPSs are functional	Main Generator system has been implemented for the entire Lister Clarence Building and UPS's have also been installed for Server Room	Done	Start date: 01/07/2024 Due date: 31/03/2025
2. Information Technology: Continuity and Disaster Recovery.	Disaster recovery testing to be done bi-annually.	Disaster recovery testing being done via simulations, and full server recovery testing done by Munsoft on a bi-annual basis.	Done	Start date: 01/07/2024 Due date: 31/03/2025
	Monitor Backup Reports to ensure off-site backups are successful.	Monitoring is Ongoing and reports reviewed quarterly	Done	Start date: 01/07/2024 Due date: 31/03/2025
	Ensure backup policy is implemented.	ICT Policy implemented- ongoing policy awareness done monthly.	Done	Start date: 01/07/2024 Due date: 30/06/2025
	Monitor Backup Reports to ensure off-site backups are successful.	Monitoring is Ongoing and reports reviewed quarterly	Done	Start date: 01/07/2024 Due date: 31/03/2025
	Monitor and control the backup solutions.	Server backups monitored and reviewed by ICT Section. Users to ensure their backups are completed and inform ICT if failed.	Ongoing	Start date: 01/07/2024 Due date: 30/06/2025
3. Information Technology: Governance	To align the ICT Governance Framework to the new version of COBIT 19 requirements.	All policies are reviewed on 26/02/2025 annually to incorporate the latest guides and also the requirements of the Auditor General.	Done	Start date: 01/07/2024 Due date: 31/03/2025
	To fill key ICT Positions.	Key ICT Positions e.g. Helpdesk Technicians has been appointed.	Done	Start date: 01/07/2024 Due date: 31/03/2025
	To oversee ICT Governance.	IT Steering Committee meetings are sitting quarterly.	Done	Start date: 01/07/2024 Due date: 31/03/2025
	To align the ICT Strategy to the IDP.	ICT Strategy updated on 26/02/2025 the during policy review.	Ongoing	Start date: 01/07/2024 Due date: 31/03/2025
4. a) Information Technology:	Ensure Anti-Virus remains updated.	Anti-Virus reports reviewed to ensure all users anti-virus is up to date.	Done	Start date: 01/07/2024

Security management.				Due date: 31/03/2025
	Implementation of Policies and User Awareness Training	ICT Security and Policy Awareness emails sent monthly to all users.	Done	Start date: 01/07/2024 Due date: 31/03/2025
	Implementation of Mimecast email management system.	Implemented as part of the FMS contract.	Done	Start date: 01/07/2024 Due date: 31/03/2025
	Ensure firewall is functional at all times.	Firewall constantly monitored for any issues and resolved immediately upon finding.	Ongoing	Start date: 01/07/2024 Due date: 30/06/2025
	Replace desktops and laptops annually with the allocated IT Budget until all PC's with outdated operating systems are eventually replaced.	The Request order is still with SCM waiting for tender appointment of service provider to proceed with order. Currently waiting for BAC meeting to finalise appointment.	Ongoing	Start date: 01/07/2024 Due date: 30/06/2025
5. a) Information Technology: Change Management.	To conduct awareness on the Change Management Policy and Procedures. To review Change Management Logs. System Administrators to sign off all changes made. To update the Change Management Policy	The Change Management Policy and Change Form has been implemented as part of the ICT Policy and is reviewed annually on 26/02/2025. Awareness is done monthly via email. Any changes made are documented and signed off by System custodians and Administrators.	Done	Start date: 01/07/2024 Due date: 31/03/2025
	To enhance all systems to allow for the generation of system change logs.	Liaising with service providers to implement system generated change logs ongoing.	Ongoing	Start date: 01/07/2024 Due date: 30/06/2025
	The municipality will continue to liaise with the service providers to attempt enhancements into their systems to be able to produce the required reports in line with the Auditor-General requirements.	The municipality will continue to request from the relevant service providers for this feature to be available on the systems.	Ongoing	Start date: 01/07/2024 Due date: 30/06/2025
6. Information Technology: Management of	To monitor the service deliverables of the Service Providers.	Contract register in place and managed by Department Budget and Treasury.	Done	Start date: 01/07/2024 Due date: 31/03/2025

Third-Party Services.	To monitor service providers performance.	Monitored by all system custodians and discussed at the IT Steering Committee.	Done	Start date: 01/07/2024 Due date: 31/03/2025
	To monitor the service deliverables of the Service Providers.	SLA's are implemented and monitored by the contracts office - Custodians to ensure SLA's are in line with ICT Policy Requirements.	Done	Start date: 01/07/2024 Due date: 31/03/2025
7. Information Technology: Incident Management.	To appoint incident management personnel.	IT Helpdesk post has now been filled. Ms SJ Buthelezi was appointed as IT Helpdesk Technician.	Done	Start date: 01/07/2024 Due date: 31/03/2025
	To conduct incident management awareness.	All policies are reviewed on the 26/02/2025 annually to incorporate the latest guides and also the requirements of the Auditor General.	Done	Start date: 01/07/2024 Due date: 30/06/2025
	To fill ICT vacancies to allow for better incident management solutions	Monthly awareness emails sent to all staff.	Done	Start date: 01/07/2024 Due date: 31/03/2025

2.11. RISK MANAGEMENT COMMITTEE MEETINGS

Quarters	Targeted Meetings	No. of	No. of Meetings Held	Reasons for not Achieving Target	Corrective Measure
1	1		1	N/A	N/A
2	1		3	N/A	N/A
3	1		3	N/A	N/A
4	1		3	N/A	N/A
Total	04		10	N/A	N/A

2.8.1 Supply Chain Management

Supply Chain Management (SCM) may be defined as “the design, planning, execution, control and monitoring of supply chain activities in the delivery of goods, services or any combination thereof”. The Municipal Supply Chain Management unit ensures that the procurement of goods and services is done with Alfred Duma Local Municipality in a system that is fair, equitable, transparent, competitive and cost effective. The Supply Chain Management unit has to plan for the annual procurement of goods, services or infrastructure projects in a pro-active manner and move away from merely reacting to purchasing requests. The Supply Chain Management unit ensures that goods and services are delivered on time as per the correct specifications and of the highest quality. The Supply Chain Management unit has compiled its annual report to Council on the implementation of the Supply Chain Management policy.

The Supply Chain Management policy was first adopted by Council at its meeting that was held on 25 March 2021 and reviewed on 29 May 2025. In terms of Clause 6(1)(3) of the Municipal Supply Chain Management Regulations, 2005, it deals with the Oversight role of Council of the municipality or board of directors of a municipal entity. The Council of a municipality and the board of directors of a municipal entity must maintain oversight over the implementation of its Supply Chain Management policy. The

Accounting Officer must, within ten (10) days of the end of each quarter, and within thirty (30) days of the end of each financial year, submit a report on the implementation of the Supply Chain Management policy to the Mayor of the municipality or the board of directors of the municipal entity, as the case may be.

2.8.2 Minimum competency requirements Supply Chain Management

The Alfred Duma Local municipality has developed the Supply Chain Management Policy and it is reviewed annually to cater for the newly introduced supply chain management regulations and guidelines. The Supply Chain Management unit has a total number of 14 permanent employees of which 5 employees meet the minimum competency requirements. It must be noted that the other 9 employees are in the process of completing the outstanding required unit standards of the Municipal Finance Management Program.

2.8.3 SCM Policy & Procedures

The SCM Policy was reviewed by Council at its meeting held on 29 May 2025.

2.9 BY-LAWS

By-laws are the laws that governs the town. All by-laws need to be gazetted on the government gazette however there is a process that needs to be followed before they are gazetted. The process is as follows:

- First the by-law needs to be approved by council.
- After it has been approved by council, it needs to go for public comments.
- After the public comments the by-law needs to go back to council for final approval
- After it has been approved by council the by-law may be sent to the government printing works to be gazetted.
- The Alfred Duma Local municipality had no bylaws reviewed and there were no new bylaws promulgated for the 2024/2025 financial year.

2.10 WEBSITES

(a) LIST OF PUBLICATIONS

Municipal Documents Published	Yes/No
Current annual and adjustments budgets and all budget-related documents	Yes
Budget-related policies	Yes
The previous year's annual report	Yes
All current performance agreements required in terms of section 54 and 56 of the Municipal Systems Act	Yes
All supply chain management contracts above a prescribed value (R100 000)	Yes

Communication Strategy

The Municipality has a Communication Strategy that is guided by the Communication Policy, which outlines a strategic plan for engaging both internal and external stakeholders. This strategy is aligned with all three spheres of government and responds to national frameworks such as SONA, SOPA, SODA, SOMA, IDP, NDP, NCS, and NPS. It is also underpinned by the government's '5 plus 2' priorities:

- Health
- Education
- Safety and Security
- Land Reform and Rural Development
- Job Creation
- Infrastructure and Rural Development
- Basic Services

Although developed within the current five-year electoral cycle, the strategy is reviewed annually to ensure its continued relevance in a dynamic environment.

Public Perception and Communication Platforms

Overall, public perception of the Municipality is positive, largely due to the successful merger of the former Indaka and Emnambithi/Ladysmith municipalities. However, challenges persist in certain constituencies, particularly in rural areas facing service delivery backlogs.

The Municipal Rapid Response Mechanism has effectively addressed numerous service delivery protests, particularly those related to water shortages. Moreover, the Municipality has made significant progress in electrification of rural wards and road construction.

The presence of local, regional, commercial, and national media houses (both print and broadcast) provides valuable opportunities for the Municipality to build relationships and partnerships for effective communication. These platforms enable the Municipality to share information and promote service delivery initiatives in line with Section 21 of the Municipal Systems Act (Act No. 32 of 2000).

The Municipality has received largely positive media coverage and has actively promoted its programs through these platforms. Media houses play a vital role in disseminating service delivery information, public notices, and updates to relevant stakeholders and the broader community.

We also make effective use of social media platforms, such as Facebook and WhatsApp, to share municipal information and interact with residents.

Communication Objectives

The key objectives of our Municipal Communication Strategy include:

- Enhancing the image of the Municipality among both internal and external stakeholders
- Communicating progress and highlighting the impact of municipal services and programs on communities
- Supporting Operation Clean Audit, promoting Good Governance, and fostering responsive local government
- Reassuring communities facing backlogs that development is in progress
- Encouraging public participation and community ownership of municipal initiatives

- Aligning municipal programs with those of provincial and national departments, including Operation Sukuma Sakhe, to eradicate poverty, inequality, and underdevelopment
- Actively participating in legislative and progressive communication forums
- Implementing a coherent corporate identity, including signage and staff name tags
- Strengthening relationships with stakeholders and the media
- Promoting the Mayor as the Municipality's primary spokesperson

The Municipality has maintained strong working relationships with a variety of stakeholders, including:

- Business Sector
- Professionals
- Traditional Leaders
- Religious Leaders
- Ratepayer Associations
- Ward Committees
- Youth Forums
- Civil Society Organisations
- The Public Transport Forum

Engagements with these stakeholders are often facilitated through the District Communicators Forum and the Intergovernmental Relations Forum, where relevant community issues (both rural and urban) are discussed.

Municipal Website

The Municipal Website is functional and is regularly updated to ensure the availability of current and relevant information – notices, media statements and awarenesses.

Municipal Newsletter

The municipality has a newsletter that is issued biannual internal and external aimed to inform residents about important happenings in their respective areas, that include service delivery programs and municipal events programs.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3A. FOCUS ON SERVICE DELIVERY

3.1 MUNICIPAL MANAGER DEPARTMENT

3.1.1 PERFORMANCE MANAGEMENT

The Alfred Duma Local Municipality has a Performance Management Unit which has been fully functional for the year under review. The overall responsibility of the unit is to assist Council members of Alfred Duma Local Municipality in discharging their responsibilities relating to the safeguarding of assets and the operation of adequate and effective systems.

The Municipality has an effective performance management system implemented at top and middle management levels. Service delivery and client service are monitored on a monthly basis and evaluated formally on a quarterly basis. Monthly and quarterly reports are submitted to Council Committees.

3.1.2 INTERNAL AUDIT SECTION

The Alfred Duma Local Municipality has an Internal Audit Unit, which has been fully functional for the financial year under review.

The Internal Audit function is in house and not out-sourced to an external service provider, and is fully funded from the municipality's operational budget.

The roles and responsibilities of the Internal Audit Unit is set out in Section 165 of the Municipal Finance Management Act, Act No. 56 of 2003 as follows: -

The Internal Audit Unit must -

- (a) Prepare on an annual basis a risk-based audit plan and an internal audit programme for each financial year;
- (b) Advise the accounting officer and report to the Audit Committee on the implementation of the internal audit plan and matters relating to:
 - (i) Internal audit
 - (ii) Internal controls
 - (iii) Accounting procedures and practices
 - (iv) Performance management
 - (v) Risk and risk management
 - (vi) Loss control
 - (vii) Compliance with MFMA, Division of Revenue Act (DORA) and any other applicable legislation.
 - (viii) Safeguarding of assets.
 - (ix) Appraisal of the economy and efficiency with which resources are employed.
- (c) Perform other such duties as may be assigned to it by the Accounting Officer.

The Internal Audit Unit is accountable for the annual audit plan and functionally reports directly to the Audit Committee and administratively to the Accounting Officer.

In terms of the Annual Risk Based Internal Audit Plan, the **key focus areas** included:

PROJECT FOCUS AREA	SCOPE
<i>FOLLOW-UP AUDITS FOR 2023/2024</i>	- To assess the extent of implementation of corrective and agreed upon actions following the internal audit performed - To Assess whether the implemented action addressed the original findings adequately - To Monitor the outcomes of Internal Audit Effort
<i>AUDIT OF PERFORMANCE MANAGEMENT SYSTEMS, IDP, AND SDBIP</i>	- Review compliance of the IDP, SDBIP and Performance Agreements in terms of activity, content and timeframes - Review compliance of the KPA's and KPI's in terms of the SMART principles - Review performance contracts (linked to IDP) for all Executive Directors and the Municipal Manager; - Review the link between PMS, IDP, SDBIP and Budgets; - Review credibility of POE files; - Conduct physical verification of projects.
<i>RISK BASED AND STATUTORY AUDITS</i>	
2023/2024 Financial Statement Review	- Review Accounting Policies and compliance with GRAP - Ensure that the AFS agrees to the Trial balance and General Ledger - Perform review of financial statements for validity, accuracy and completeness - Review working paper file and ensure that it agrees to information on the Annual Financial Statements, Trial balance & General Ledger.
2024/2025 Mid-term Financial Statement Review	- Review Accounting Policies and compliance with GRAP - Ensure that the AFS agrees to the Trial balance and General Ledger - Perform review of financial statements for validity, accuracy and completeness - Review working paper file and ensure that it agrees to information on the Annual Financial Statements, Trial balance & General Ledger.
Audit of the adjustments budget 2024/2025	- Ensure that all compliance requirements are met - Review budget for validity, accuracy and completeness
Audit of the budget 2025/2026	- Ensure that all compliance requirements are met - Review budget for validity, accuracy and completeness
Audit Supply Chain Management	- Review daily procurements - Review tender process - Review contract register and contract payments - Review compliance with SCM policy, SCM Regulations and MFMA Circular 68
Audit Asset Management	- Review monthly asset reconciliations - Ensure asset reconciliation balances to general ledger and trial balance - Review fixed asset register - Test for existence of assets - Review depreciation calculations - Review compliance with GRAP
Audit Payroll Management	- Review new appointments - Review employee's exiting the system - Review Overtime Payments

	- Review Standby allowances - Review Housing & Third-Party payments - Review Staff deductions
Audit Debtors and Revenue Management	- Review debit raising processes for main services rendered (rates, electricity, refuse) - Review debit raising processes for sundry services rendered - Review Debtors Age Analysis - Review Indigent Database
Audit Cash, Bank and Bank Reconciliations	- Review all cash and receipting processes - Review the bank reconciliations - Ensure that all reconciling items are valid and have adequate supporting documentation - Ensure that the bank reconciliation agrees to the bank statements, bank confirmations, and to the financial system
Audit of Grants and Project Management	- Review the Grants Register - Recalculate balances and ensure that it agree to the Financial System - Ensure compliance with the expenditure process and SCM policy and SCM Regulations - Ensure compliance with all grant conditions
Audit Creditors and Expenditure Management	- Review Creditors Age Analysis - Review Cheque Age Analysis - Review the Loan Register - Review Refund Payment processes - Perform review of payment vouchers for validity, accuracy and completeness
Audit of Inventory Management	- Attend Quarterly Stock Counts - Observe Stock Count Procedures - Test for existence of Stock Items - Confirm quantity of stock items from physical stock to bin cards - Confirm quantity of stock items from bin cards to the financial system
Audit of Electricity Losses	- Verify, recalculate, validate and analyse the electricity losses reported by comparing the electricity purchased from the Eskom Accounts to the electricity sales - Review processes in place to reduce losses
Audit of Human Resource Management	- Review of Recruitment Process - Review of Leave Management - Review of Training Process - Review of Employment Equity Plan - Review of IOD and Pension Claims - Review compliance with HR Policies
Audit of Fleet Management	- Conduct physical verification of fleet - Review of Fuel Consumption - Review of Vehicle log sheets and C-Track system - Review of expenditure for repairs and maintenance of fleet
Audit of Traffic Management	- Review administration of fines - Review administration of camera offences
Audit of Licencing Processes	- Review of learner licence applications - Review of licence applications - Review of renewal of drivers' licence - Review vehicle registrations

Audit of Community Facilities	- Review administration and maintenance of parks and gardens - Review administration and maintenance of sports grounds and fields - Review administration and maintenance of cemeteries - Review administration and maintenance of halls - Review administration and maintenance of libraries
Review of Information and Communication General Controls	- Review of general control processes over all current IT systems within the municipality
ADHOC REVIEWS	
Special Requests & Investigations	- At the request of the Municipal Manager, the Audit Committee, or MPAC certain special assignments / projects will be undertaken
AUDITOR GENERAL	
Follow-up on 2023/2024 Auditor General Queries	
Co-ordination of 2024/2025 external audit process	

AUDIT COMMITTEE

RESPONSIBILITIES

The Audit committee has complied with its responsibilities arising from section 166 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) and clause 14(2) (a) of the Municipal Planning and Performance Management Regulations of 2001. The Audit Committee's work is guided by the Audit Committee Charter, and has discharged all its responsibility as contained therein.



ANNUAL REPORT OF THE AUDIT COMMITTEE

2024-2025 FINANCIAL YEAR

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

INTRODUCTION

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

The report records the outcome of the work done by the Audit Committee. The committee from time to time made recommendations as preventative or corrective measures to the weaknesses identified by Internal Audit Unit in the municipality based on reports and information supplied to the Audit Committee.

AUDIT COMMITTEE MEMBERS

The Audit Committee meets as a minimum four times a year as per the approved Audit Committee Charter. The composition of the committee is a minimum of three members as per section 166 (4) (a) of the MFMA.

For the period 01 July 2024 to 30 June 2025, the committee consisted of members as listed below:

- N Barron - Chairman
- B Dladla - Member
- S Manyathi - Member

NUMBER OF AUDIT COMMITTEE MEETINGS HELD

There were four (4) normal meetings held and one (1) special meeting held during this period on the following dates:

- 12 August 2024
- 02 December 2024
- 03 February 2025
- 30 April 2025

There was one (1) special meeting during this period on the following dates:

- 26 August 2024

Minutes of all Audit Committee meetings are submitted by the Internal Audit Section to Municipal Public Accounts Committee, Executive Committee and Council.

ATTENDANCE OF MEETINGS

COMMITTEE MEMBER	MEETING POTENTIAL	MEETINGS ATTENDED
Mr N Barron	5	5
Mr B Dladla	5	5
Mr S Manyathi	5	5

AUDIT COMMITTEE RESPONSIBILITIES

The Audit Committee has complied with its responsibilities arising from section 166 of the MFMA and clause 14(2) (a) of the Municipal Planning and Performance Management Regulations of 2001. The Audit Committees' work was guided and regulated by an Audit Committee Charter, which was reviewed, and approved by Council, on the **30 May 2024** and discharged all its responsibility as contained therein.

LEGISLATIVE MANDATE

The MFMA No 56 of 2003 section 166 requires from the Audit Committee amongst other matters: -

To advise the Municipal Council, Political office bearers, the Accounting Officer and management staff on matters relating to: -

- a. Performance management and evaluation,
- b. Internal financial control and internal audits.
- c. Risk Management.
- d. Accounting policies.
- e. The adequacy, reliability and accuracy of financial reporting *and information*.
- f. Effective governance
- g. Compliance with MFMA, DORA and any other applicable *legislation*.

OVERVIEW OF AUDIT COMMITTEE ACTIVITIES

1. PERFORMANCE MANAGEMENT AND EVALUATION

1.1 There was an improvement in Performance Information and there were no findings in the Audit Report received from the Auditor General on Performance information for the 2023-2024 financial year.

1.2 However, management needs to take note that the Auditor-General intends to escalate this opinion from the Management report to the Audit Report in the near future.

1.3 The committee made recommendation for the acquisition of an electronic Performance Management System that will improve the current audit opinion and maintain a clean audit on predetermined objectives going forward. We are pleased to be informed that this has been put in the budget for the 2025-2026 financial year. As a committee, we will closely monitor this process.

1.4 Quarterly Performance Reports for the 2024-2025 financial year were submitted to our Audit Committee meetings. The performance information was reviewed by Internal Audit and reports were submitted to the committee.

1.5 A Special Audit Committee Meeting was held on the 22/08/2025, to discuss the Draft Annual Report. Internal Audit Section had reviewed the Draft Annual Report and the Draft Annual Performance

Report and provided a detailed report to the Committee. The Internal Audit Report highlighted some areas of concern.

1.6 The committee provided detailed comments on the Performance Information Reports.

1.7 The committee recommended that the areas of concern and comments raised by Internal Audit Section and the Audit Committee be attended to by the Performance Management Section prior to submission of the Draft Annual Report and Final Performance Report to the Auditor-General on the 31/08/2025.

2. INTERNAL AUDIT FUNCTION

2.1. In terms of Section 165 (1) of the MFMA each municipality is required to have an Internal Audit Section. The Internal Audit Charter was adopted by the Committee on the **30 May 2024**, regulates the work of the Internal Audit Section.

2.2. The municipality has a fully sourced Internal Audit Section who have performed their tasks in terms of their approved Internal Audit Charter and Internal Audit Plan for the 2024/2025 financial year.

2.3. The Internal Audit Section presented its three-year rolling plan for 2024/2025, 2025/2026 and 2026/2027. This was reviewed and approved by the Audit Committee after ensuring that all major risks were covered by this Strategic Internal Audit Plan. This plan also included the operational plan of the Internal Audit Section.

2.4. During this period, the Internal Audit Quarterly Reports were presented to the Audit Committee and discussed with management in the Audit Committee meetings. The following audits were conducted during the year under review:

- Audit Human Resource Management
- Audit on Supply Chain Management
- Audit on Asset Management
- Audit on Debtors and Revenue Management
- Audit on Cash, Bank and the Bank Reconciliation
- Audit Stores and Inventory Management
- Audit Grant Management
- Audit on Creditors and Expenditure Management
- Audit Adjustments Budget
- Audit Annual Budget
- Audit of Fleet Management
- Audit of Traffic Management
- Audit of Licensing Management
- Audit of Community Facilities
- Audit Performance Information
- Audit Electricity Losses
- Review Interim and Annual Financial Statements
- Review Midterm and Annual Information and Communication General Controls
- Investigations

2.5. As per the internal audit reports presented, the committee discussed the Internal Audit findings on the weaknesses of the system of internal control with management. Issues were deliberated upon and recommendations were made by the committee to improve and resolve these issues.

3. SYSTEMS OF INTERNAL CONTROL

3.1. The systems of internal controls are designed to provide reasonable assurance that the assets are safeguarded and the liabilities and working capital are working effectively and efficiently managed.

3.2. Reports of the Internal Audit Section highlighted some systems of internal control deficiencies.

3.3. The Audit Committee made recommendations to management to address deficiencies highlighted and the committee will continue monitoring the implementation of these recommendations.

4. FINANCIAL MANAGEMENT AND REPORTING

4.1. The committee noted the finance reports which were presented at the Audit Committee meeting:

- Report on Monthly Budget Statements which contained the Creditors Age Analysis, Debtors Age Analysis, Bank Reconciliation, Grant Reconciliation and Cash-Flow Statements
- Interim Financial Statements
- Report on Debtors
- Report on Data Cleansing
- Audit and Financial Statement Readiness Plan
- Annual Financial Statements

4.2. The committee noted that certain conditional grants were not fully spent. These grants were received late in the financial year. The municipality has however applied for rollover of these funds and are awaiting responses from National Treasury.

4.3. The committee noted with concern the Debtors book of more than R1 billion at 30 June 2025.

4.4. The committee recommended that the municipality must consider the Intergovernmental Governance Relations (IGR) and other processes in terms of recovery of debt and the municipality must review the Revenue Enhancement Strategy with specific focus on the data cleansing process which is highlighted as one of the greatest challenges in terms of debt collection.

4.5. The committee recommended the Report on Debtors and Report on Data Cleansing be a standing item at every audit committee meeting.

4.6. It is appreciated that the municipality deals with consequence management. The Department Budget and Treasury report Unauthorised, Irregular and Fruitless and Wasteful Expenditure on a monthly basis to council.

4.7. A Special Audit Committee Meeting was held on the 22/08/2025, to discuss the Draft Annual Financial Statements and the Draft Annual Performance Report as at 30 June 2025. Internal Audit Section had reviewed the Draft Annual Financial Statements and the Draft Annual Performance Report and provided a report to the Committee. The Internal Audit report highlighted many issues which need to be urgently addressed.

4.8. The committee also provided comments to management. It was recommended that the areas of concern and comments raised by Internal Audit Section and the committee be attended to by Management prior to submission of the Final Annual Financial Statements and Annual Performance Report to the Auditor-General on the 31/08/2025.

5. RISK MANAGEMENT

5.1. During the year under review the Risk Management Section presented the Risk Management Policies and Registers for the 2024-2025 financial year to the committee.

5.2. The committee noted that a Risk Management Committee Chairperson and Risk Champions from every Department were nominated for the 2024-2025 financial year.

5.3. The Risk Management Committee is fully functional and meetings are sitting. As and when required.

5.4. At every Audit Committee Meeting the Quarterly Risk Management Report and the Risk Management Committee Meeting Minutes were presented to the committee.

6. INFORMATION AND COMMUNICATION TECHNOLOGY

6.1. During the 2024-2025 financial year, on a regular basis reports on Information and Communication Technology Governance were submitted to the committee for review.

6.2. The Audit Committee will continue monitoring Information and Communication Technology issues to ensure that there is adequate strategy and progress made to manage all Information and Communication Technology changes.

7. ELECTRICITY LOSSES

7.1. During the year under review the mid-term and annual electricity loss report was presented to the committee.

7.2. The Annual Electricity loss report was submitted to the Special Audit Committee held on the 22/08/2025.

7.3. The committee noted with concern the electricity losses for the 2024-2025 financial year was 16.71%, in comparison to the prior year figure of 15,93%.

7.4. The committee recommended that management investigate loss control measures, reviewed bylaws, consequence management for offenders, and revoking business licenses with an aim of reducing the electricity losses.

7.5. The Audit Committee will continue to monitor the electricity losses report during the 2025-2026 financial year.

8. REPORT OF THE AUDITOR-GENERAL FOR THE 2023-2024 FINANCIAL YEAR

8.1. The Auditor General, Audit and Management Report for the 2023-2024 financial year was presented to the committee once received by the Auditor General during December 2024.

8.2. The committee was pleased that the municipality had maintained their Unqualified Audit Opinion once again.

8.3. An Audit Response Plan was developed and presented by management on how management is going to address the Auditor-General findings for the 2023-2024 financial year.

8.4. The Audit Response Plan remained a standing item on all Audit Committee meetings.

8.5. The committee recommended that management go through all the audit findings for the 2023-2024 financial year when finalising the Annual Financial Statements and Annual Performance Report for the 2024-2025 financial year, and ensure they are fully resolved before the commencement of the next audit process.

8.3. The committee recommends that the municipality continue to strive for the Clean Audit Opinion.

9. CONCLUSION

9.1. The Committee wishes to express its sincere gratitude to the Council and all those involved in the improvement of systems at the Municipality and to the Municipal Manager and Senior Management for their support during the year.



CHAIRPERSON
ALFRED DUMA LOCAL MUNICIPALITY AUDIT COMMITTEE

3.1.3 YOUTH DEVELOPMENT

After having made various interventions to conceptualize and advance Youth Development since the dawn of democracy in 1994, a review on Youth Development indicates that despite much effort that has been made the challenges of developing young people remain mammoth (Huge), the fact that the majority of this young people hail from the previously disadvantage black communities in our wards.

Our main target are as follows:

- 18-35 years old
- School-aged-out -of- School aged
- Skilled and unskilled
- Youth in Business
- Youth in conflict with law
- Youth heading household
- Youth in Rural Areas
- Young Woman
- Youth with disabilities
- Youth with HIV and Aids

Local Youth Services and Social Cohesion:

- Promote Youth Social Dialog and create opportunities for young peoples to serve their communities through Youth Mass Meetings around all wards within Alfred Duma Local Municipality.
- Outreach programmes.
- Youth Forums.
- Youth Council and Youth Desk.

Youth in Economic Participation:

- Enhanced the participation of young people in the economy through 35% set aside.
- 2024/2025 the Youth Development Office working together with National Youth Development Agency (NYDA) able to assist young people of Alfred Duma Local Municipality for NYDA grant and NYDA voucher of youth which benefited from the funds.
- Youth Development in partnership conducted mentorship on Youth in Business who has received training Certificates from NYDA.
- The Youth Development Office assisted learners for applying on varies institutions.
- Conducting onsite registration of National Student Financial Aid Scheme (NSFAS) and University of Free State (UFS)

Training and Development:

- The Youth Development Office promote, facilitate and provide training and development opportunities to young people in order to enhance their socio-economic wellbeing.
- Youth Mass Skilling programme that the Youth Development Office recruited 36 graduates who are placed in various departments within the municipality which is our annual programme in ensuring that young people are getting exposed in the working environment in a period of 12 months.
- Capacity Building Workshop, for Unemployed Graduates and Youth Job seekers, by giving them necessary skills to seek jobs and empower themselves.

Youth Advisory and Information Services

- The Youth Development Office ensures that there is access for youth information about various interventions aimed at improving the living conditions of young people, including information and career guidance services for young people.

Our main Objectives

- To integrate Youth Development into the main stream of government.
- To enable young people of Alfred Duma Local Municipality to develop the knowledge, skills and ability needed them to make a healthy transition to adulthood.
- To give all young people of Alfred Duma Local Municipality a means out of long-term unemployment, by providing them with tangible opportunities, which increase their chances of accessing economy.

PROGRAMMES WITHIN THE YOUTH DEVELOPMENT OFFICE FOR 2024/2025

DATE	NAME OF PROGRAMME	TIME	VENUE	RESULT
19/07/2024	Business Orientation Programme	10h00	Ladysmith Town Hall	Achieved
25/11/2024	Online Application Drive	10h00	Thembela High School	Achieved
27/11/2024	Online Application Drive	10h00	St Chads Thusong Centre	Achieved
28/11/2024	Online Application Drive	10h00	Ezimbuzini Community Hall	Achieved
29/11/2024	Online Application Drive	10h00	Watersmeet Thusong Centre	Achieved
28/01/2025	Matric Excellence Awards	10h00	Ladysmith Town Hall	Achieved
28/02/2025	Youth Empowerment Programme	10h00	Empolwane High School	Achieved
20/03/2025	Interview Orientation Programme	13h00	Ladysmith Town Hall	Achieved
26/06/2025	Youth Empowerment and Application Drive	10h00	Isigweje High School	Achieved

3.2 DEVELOPMENT PLANNING & HUMAN SETTLEMENT DEPARTMENT

3.2.1 Development Planning

Introduction

The Development Planning Unit of the Alfred Duma Local Municipality has shown significant resilience and progress during the 2024/2025 financial year despite ongoing environmental and infrastructural challenges, notably the recurring flooding incidents experienced in Ladysmith and surrounding areas. These natural disasters have caused disruption to infrastructure, community livelihoods, and planning operations. Nevertheless, the unit has successfully sustained momentum in planning, spatial development, and regulation.

SPLUMA Compliance and Land Use Scheme

The unit continues to ensure compliance with the Spatial Planning and Land Use Management Act No. 13 of 2013 (SPLUMA). A key achievement was the gazetting of a unified Land Use Scheme on 30 October 2021, which covers the entire municipal jurisdiction. In 2022, a draft reviewed Land Use Scheme was tabled and adopted by Council in December. Work continues in-house to finalize the updated scheme to ensure it remains responsive to environmental dynamics.

Adoption of Spatial Development Framework (SDF)

Further reinforcing forward planning, the municipality’s Spatial Development Framework (SDF) was submitted to the KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs (COGTA) and formally adopted by Council on 29 May 2025. The SDF outlines long-term spatial transformation and development objectives in line with SPLUMA.

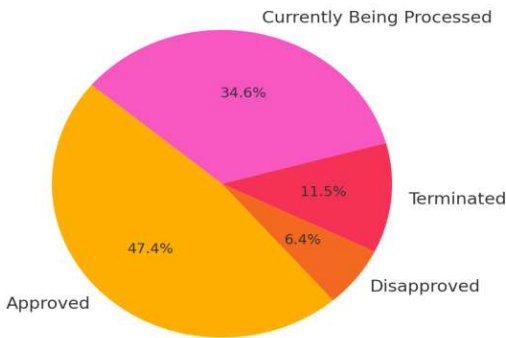
Integrated Urban Development Grant (IUDG) and Completion of Capital Expenditure Framework (CEF)

The municipality successfully applied for the Integrated Urban Development Grant (IUDG) for 2025/2026. The grant supports infrastructure development in under-served areas and enhances spatial integration. The Capital Expenditure Framework (CEF) supporting the IUDG was completed; enabling the municipality to proceed with structured infrastructure implementation aligned to national urban development goals.

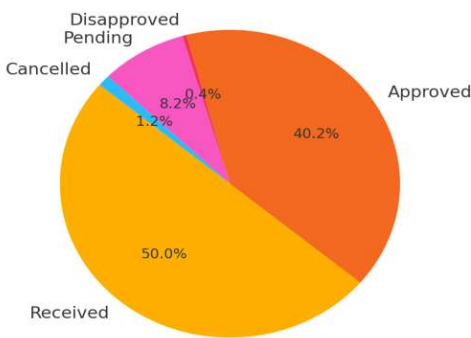
Development Applications Processed and Building Plan Approvals

The municipality processed a total of 78 development applications under SPLUMA during the 2024/2025 financial year, of which 37 were approved. In terms of building control, a total of 256 building plan applications were handled, with 103 formally approved. This is in line with the National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977). The details are illustrated below;

Development Applications 2024/2025



Building Plan Applications 2024/2025



Building Control By-law Amendment

A major policy milestone was the gazetting of the amended Building Control By-law on 20 February 2025. The by-law now incorporates flood-risk mitigation measures and standardizes sustainable construction guidelines across both formal and traditional settlement areas. It can be accessed on the municipal website. <https://www.alfredduma.gov.za>

Flood Mitigation

Heavy precipitation and flooding have been recurring in Ladysmith for the past 170 years due to its peculiar location in the uThukela catchment, in the foothills of the Drakensberg Mountains. During 1987 and 1988, Ladysmith was flooded on three separate occasions and extensive damage was caused to residences and businesses. The worst flooding in 30 years occurred in 1996 leading to R500 million in damages and the evacuation of 400 families. Efforts to tame the river and manage the flooding has been going on since the 1940s. Subsequently, several solutions were put forward, including the relocation of residents, improved flood warning systems, channel improvement using levees, and the construction of a flood attenuation dam. Some of these solutions were implemented. Due to climate changes, research showed that the rain intensity slightly increases from year to year. Also, the return periods are getting closer than expected.

Thunder storms and hail damage is another huge predicament the municipal area is facing. Numerous houses and roofs continue to collapse and damage people's belongings, with the claim and loss of lives in some instances. Residents of the Alfred Duma Municipal area continuously bear the brunt of such with torrential rains causing widespread devastation and disruption.

These thunderstorms coupled with strong winds destroy roofs, tearing them from houses. Essential infrastructure, including power cables, roads, bridges, and vehicles also suffer extensive damage.

Although some progress has been made in dealing with heavy precipitation and floods through improved planning, preparedness, forecasting and warning, emergency management and response, rehabilitation, better land-use etc. reality shows that flood risk in the municipal jurisdiction continues to increase as a consequence of rapid and continuing economic development, population growth, infrastructure developments and land-use changes.

Due to the devastating effects and results of the aforementioned, the Alfred Duma Local Municipality entered into discussions to take drastic steps towards the reduction of damage to infrastructure, economic losses and the loss of lives and livelihoods. The municipality has endorsed the following measures to assist with the mitigation of heavy precipitation within the Alfred Duma Local Municipality.

Small Town Revitalisation – Colenso

In a bid to reverse urban decline, the municipality submitted a revitalisation proposal to COGTA for Colenso under the Small-Town Revitalisation Grant on 24 April 2025. The proposal includes concept designs and a vision for economic and infrastructural regeneration.

Flood Disaster Management Strategy

Recognizing the climate vulnerability of Ladysmith, the municipality initiated a Flood Disaster Management Strategy. A consultant has been appointed to develop a best-practice framework for resilience planning. This project integrates infrastructure, land use, and community safety into climate-responsive urban development.

Flood Line Assessment Grant Support

The KZN Department of Economic Development, Tourism and Environmental Affairs approved a **R500,000** grant for a Floodline Assessment to be conducted using historical, hydrological and climate modelling data. This will further inform future spatial planning and risk reduction strategies.

Despite environmental hardships and fiscal limitations, the Development Planning Unit remains committed to transformative development. The achievements of 2024/2025 demonstrate strategic foresight, institutional responsiveness, and a dedication to sustainable and inclusive growth for all residents of Alfred Duma Local Municipality.

3.2.2 HUMAN SETTLEMENT

In terms of the Housing Act of 1997, Housing Code date 2009 and the housing accreditation framework, the Alfred Duma Local Municipality aims to promote, facilitate and develop integrated and sustainable human settlements. The municipality undertakes to set housing delivery goals, identify and designate land for housing development, initiate, co-ordinate facilitate, promote and enable suitable housing development. As part of the IDP, to take steps to ensure that the residents of its area have access to adequate housing on a progressive basis and conditions which are not conducive to health and safety are removed.

The municipality has developed an Integrated Sustainable Human Settlement Plan (ISHSP) that will identify what is required to unlock housing delivery in a particular area of Alfred Duma Local Municipality, identify what other social and infrastructural services would be required to do so in a holistic and integrated manner.

According to Statistics South Africa, Alfred Duma Local Municipality has approximately 41200 households, with a population density of 356 000 people. About 32% citizens' falls within formal dwellings and 12% are home owners/bonded category. The total number of houses need to be constructed are included on the Municipal Housing Sectorial Plan.

HOUSING PROJECTS

Most of the housing projects are stalled due to additional funding that the Department of Human settlements has been requested to approve as the current subsidy is inadequate for the IA's to construct the houses and they have advised that this is due to the current economic state with the sharp rise of materials in the country. The Department of Human Settlements has advised that there is financial constraints within the department, which will affect the performance of IAs across the province.

APPROVED HOUSING PROJECTS FOR STAGE 1 (URBAN)

Project Name	Ward	Units	Implementing Agent	Status
Acaciavale Phase 1	20	1000	Lwazi projects	General Plan and Close out report
Acaciavale Phase 2	20	1000	Boo Waa Ndo	SPLUMA approval and Layout Plan
Ezakheni C 150	5	150	Thandolezwe	Close out Report
Roosboom	11	1000	Shatsane	General Plan
Limit Hill	22	200		Professional Studies

APPROVED HOUSING PROJECTS FOR STAGE 1 (ISUP)

Project Name	Ward	Units	Implementing Agent	Status
St Chads	7 & 27	500	CHS Development	Professional Studies
Mthandi	8	500	Tunols	Professional Studies
Gumtrees (Colenso)	25	500	Lwazi	Professional Studies
Cremin	24	500	Zamahlobo	Professional Studies

INFORMAL SETTLEMENTS UPGRADE PROJECTS (ASSESSED)

Project Name	Ward	Units	Implementing Agent	Status
Steadville area K	9	N/A	N/A	The Needs assessment was conducted and submitted to DoHS for consideration. The Land is privately owned. The area is affected by environmental issues.
Thembalihle	9	N/A	N/A	The prefeasibility study has been conducted and was established that the area is not suitable for housing.

URBAN PROJECTS FOR SUBMISSION FOR APPROVAL

Project Name	Ward	Number Of Units	Implementing Agent	Status
Colenso 4000	25	1000	Zamahlobo	The project area is affected by environmental issues. The bulk confirmation report from the Uthukela District is still outstanding.
		1000	Makhosi Nyoka	The project area is affected by environmental issues. The bulk confirmation report from the Uthukela District is still outstanding
		1000	Black Rock	The project area is affected by environmental issues. The bulk confirmation report from the Uthukela District is still outstanding
		1000	Thellong	The project area is affected by environmental issues. The bulk confirmation report from the Uthukela District is still outstanding
Colenso	25	100	Morula	The project area is affected by environmental issues. The bulk confirmation report from the Uthukela District is still outstanding

APPROVED HOUSING PROJECTS FOR STAGE 2 (URBAN)

Project Name	Ward	Number Of Units	Implementing Agent	Status
Shayamoya Phase 3	27	321	To be appointed	The appointed IA completed stage 1 activities. Due to poor performance, the municipality requested the department to appoint a new service provider to undertake stage 2 and 3.
Acaciavale Phase 1	20	1000	Lwazi Projects	The Stage 2 activities have commenced.

APPROVED HOUSING PROJECTS FOR STAGE 1 (RURAL)

Project Name	Ward	Number Of Units	Implementing Agent	Status
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Vaalkop Phase 1	32	430	Amehloesizwe	Close out
Vaalkop Phase 2	32	570	Amehloesizwe	Professional Studies. Land Legal Matters
Besters	26	500	Sebata Sebatana	Professional Studies
Nazareth	32	1000	Mkhombe Development	The Project area is affected by land matters.

PROJECTS AT CONSTRUCTION STAGE (URBAN)

Project Name	Ward	Number Of Units	Implementing Agent	Status
Acaciavale 250	20	150	Kufanikwa	Upgrading of Sewer Pump funding secured. New contract for construction work being finalised.
Umbulwane Area H	9	505	Sarkhum	Construction underway. Connection of pump station is affecting the project.
Umbulwane Phase 1	9	107	UmpHEME	Close out
Umbulwane Phase 2	27	77	UmpHEME	Close out
Steadville 770	21	462	To be Appoint	Appointment of a new IA underway
Ezakheni C 624	5	492	Àyona	Construction underway
Ekuvukeni Phase 2	33	657	Kufanikwa	Construction underway
Ekuvukeni Phase 1	33	250	Zamokuhle	Site Establishment
Roosboom phase 1,2 & 3	11	585	SNS	Construction underway.

PROJECTS AT CONSTRUCTION STAGE (RURAL)

Project Name	Ward	Number Of Units	Implementing Agent	Status
Fitty Park	28	1000	To be appointed	IA terminated.
KNJ	31	1000	Ukhasi	Under construction
Somshoek	30	1000	Go big	Poor Performance
Kwashuzi	28	1000	Tswara Thebe	Site establishment

PROJECTS AT CONSTRUCTION STAGE (EMERGENCY PROJECTS & OSS)

Project Name	Ward	Number Of Units	Implementing Agent	Status
Colenso Mgazini	25	71	To be appointed	The DoHS is in the process of appointing a service provider to construct 71 units
2012 Storm Damaged	9,10, 20, 21 & 22	2205	Tswara Thebe	The construction is underway and the IA has committed to finish all work prior to the expiration of the contract.
10 OSS	20	10	ASDU	The IA has constructed 7 units which have not been connected to internal services.
13 / 35	33	35	Getalife	The construction is underway.
30 OSS	3	30	Ntokozweni	The construction is underway.
Esidibe	29	185	Isilo	Construction is underway.

SERVICED SITES

Project Name	Ward	Units	Implementing Agent	Status
Indoor Phase 1	13	370	Mahlori Development	The IA has submitted the General Plan to SG for approval.
Indoor Phase 2	13	2000	Mahlori Development	The IA is busy with Professional Studies
Dunlop	21	1000	To be appointed	The appointed IA withdrew from the project
Ezakheni Phase 2	D 1	400		The IA is busy with the registration of the Township.
Ezakheni Phase 3	D 4	400	VST Consultant	The Amended Layout Plan has been submitted to SGO.
Ekuvukeni B	32	500	Inzuzo Consulting	The IA has submitted a General Plan to the SGO.

SERVICED SITES (NOT ASSESSED BY DOHS)

Project Name	Ward	Units	Implementing Agent	Status
Colenso	25	200	Ngoti Consultants	The PLS application pack has not been assessed by DoHS due to an outstanding Bulk confirmation Report from Uthukela District.

SOCIAL HOUSING AND COMMUNITY RESIDENTIAL UNITS

Project Name	Ward	Units	Implementing Agent	Status
Ezakheni D CRU	1	N/A	N/A	The municipality has identified this area as being suitable for the construction of the CRU. The professional studies have been completed and awaiting the approval of stage 2.
Erf 127	12	N/A	N/A	The land has been designated a Restructuring Zone suitable for the implementation of Social Housing.
Erven 718,719, 720, 721 & 722	22	N/A	N/A	The land has been designated a Restructuring Zone suitable for the implementation of Social Housing.

ENHANCED EXTENDED DISCOUNT BENEFIT SCHEME

The municipality has a backlog of approximately of 3852 properties on pre and post 1994 housing stock that require formalization within the EEDBS programme.

The breakdown of the number of unites that require transfer is as follows:

PRE -1994

Area	Conveyancer	Outstanding transfers	Forms completed social facilitator	Deed of sale submitted to conveyancers	Transfers effected
Ezakheni A	7 conveyancers appointed on 23/06/2025	37	5	NIL	NIL
Ezakheni B	7 conveyancers appointed on 23/06/2025	47	2	NIL	NIL
Ezakheni C	7 conveyancers appointed on 23/06/2025	96	8	NIL	NIL
Ezakheni D	7 conveyancers appointed on 23/06/2025	125	5	NIL	NIL
Ezakheni E	7 conveyancers appointed on 23/06/2025	318	15	NIL	NIL
Nkanyezi/ Colenso	7 conveyancer appointed on 23/06/2025	187	0	NIL	NIL
Ladysmith	7 conveyancers appointed on 23/06/2025	190	51	NIL	NIL
Steadville	7 conveyancers appointed on 23/06/2025	137	19	NIL	NIL
Limit Hill	7 conveyancers appointed on 23/06/2025	13	3	NIL	NIL
Nkanyezi	7 conveyancers appointed on 23/06/2025	420	68	NIL	NIL
TOTAL ERVEN		1570			
TOTAL FORMS COMPLETE					
186					

POST -1994

Area	Conveyancer	Outstanding transfers	Forms completed	Deed of sale submitted to conveyancers	Transfers effected
A	7 conveyancers appointed on 23/06/2025	2	2	NIL	NIL

B	7 conveyancers appointed on 23/06/2025	43	6	NIL	NIL
C	7 conveyancers appointed on 23/06/2025	207	25	NIL	NIL
D	7 conveyancers appointed on 23/06/2025	254	105	NIL	NIL
Colenso	7 conveyancers appointed on 23/06/2025	8	5	NIL	NIL
Ntombi's Camp	7 conveyancers appointed on 23/06/2025	381	26	NIL	NIL
Steadville 770, Area J, Tsakane, Steadville Area E	7 conveyancers appointed on 23/06/2025	257	28	NIL	NIL
Ekuvukeni	7 conveyancers appointed on 23/06/2025	350	0	NIL	NIL
Umbulwane Phase 1 & 2	7 conveyancers appointed on 23/06/2025	69	1	NIL	NIL
St. Chads	7 conveyancers appointed on 23/06/2025	200	13	NIL	NIL
Limit Hill	7 conveyancers appointed on 23/06/2025	11	1	NIL	NIL
Ekuvukeni	7 conveyancers appointed on 23/06/2025	500	0	NIL	NIL
TOTAL ERVEN 2282					
TOTAL FORMS COMPLETE 212					

Township Register opened for Ntombi's Camp.

TRANSFERS FOR RDP PROJECTS

Project name	Implementing agent	Total number of erven per project	Outstanding transfers	Transfers effected
30 Oss Housing Project	Ntokozweni Developers	30	1	29
Acaciavale Housing Project	Kufanikiwe	250 (150 Low cost)	52	NIL
Area H Housing Project	Sarkum Dev Con	505	64	NIL

LAND SALES

Two bids were advertised for the year under review being **DP&HS 04/2024** and **DP&HS 05/2025**

BID DP&HS 04/2024
28 - properties advertised and awarded
2 - did not sign appointment letters
5 - rejected offers
8 - paid purchase price in full
2 - awaiting payments
11 – cancelled
DP&HS 05/2025
5 – properties advertised
3 awarded signed deed of sale and awaiting for payments

LEASE AGREEMENTS

LAND LEASES ERF	LESSEE	COMMENCEMENT DATE
Grazing Camp D	Twins Global Services (PTY)LTD Represented by: Gertrude Phendukile Myeza	1 June 2025
Grazing Camp F	Gigi Family Trust Represented by: Lungile Lynettte Mazibuko	1 April 2025
Grazing Camp E	Evalore Construction Represented by: Siqinisiwe Euvodia Gule	1 April 2025
Grazing Camp A2	Israel Thokozani Zuma	1 April 2025
Grazing Camp C	Bongani Tau Motaung	1 April 2025
Grazing Camp B	Israel Thokozani Zuma	1 April 2025
PORTION OF REM OF ERF 1, LADYSMITH	Frances Ann Naude	4 September 2024
PORTION OF ERF 3667 LADYSMITH	Abomlawu Catering and Const. (PTY) LTD	1 October 2024
PORTION OF ERF 2518, STEADVILLE	Mthokozisi Ngangezwe Malinga	1 June 2025

LOCAL ECONOMIC DEVELOPMENT AND TOURISM

Vision

“To develop a people focused and cost-effective municipality, providing quality services, while addressing unemployment and poverty through promotion of Agriculture, Commercial and Industrial productivity, Education, Skills Development, Tourism and Conservation.”

Mission

“To ensure community participation in all projects, improve the skills of community members, strive for financial viability, provide sustainable services and promote Local Economic Development.”

Introduction

The economic development and tourism are still dominant units and sectors occupying the central pillar of economic drivers within the Alfred Duma Local Municipality guided by the national development plan as adopted by the national government. Recently an emphasis has been made towards re-engineering solid economic participation through the District Development Model (DDM) so that a solid plan towards implementing catalytic projects and poverty alleviation pre and post Covid19.

Background

In line with the coherent developmental trajectory and socio-economic transformation agenda, the Alfred Duma Local Municipality DPHS – LED & Tourism Unit drives the following programmes:

1. Enterprise Development

- Compliance – CIPC, SARS, CIDB etc.
- Provision of Start-up funding to and SMME's
- Marketing assistance
- Capacity Building – both technical and business practice

2. Cooperative Development

- Compliance - CIPC, SARS etc.
- Provision of assistance to green economy and manufacturing (textile) co-operatives
- Capacity Building – technical skills

3. Informal Economy

- Registration of informal traders into Municipal database and issuing of trading permits in the new automated system
- Provision of infrastructure
- Capacity Building – business practice training

4. Incubation / Trading Centres and Property

- Provision of trading centres to manufacturing businesses

- Facilitation of leasing of land
- Allocation of SMMES in THUSONG CENTRES

The 2024/25 financial year saw a number of LED Support programmes coupled with the registration for Spaza Shops and tuckshops in light of the national crisis on food safety in the district. The LED unit provided Project Support, Permits and Licencing, Business Compliance Support provided as well as access to funding

Sector	Total
Number of Business Licences Issued	53
Number of Business Permits Issued	370
Number of Business Compliances Visits conducted	7
Number of Spaza Shops Registered	526
Number of compliant Spaza Shops/Tuckshops	213
Number of training programmes for SMME'S , Informal traders and Small Business	4
Number of agricultural ploughing beneficiaries	153

Furthermore, the DPHS – LED section has organized a successful Executive Business Engagement event held on 26 June 2025. The event was attended by more than 90 delegates comprising of business and public sector representatives.

The purpose of the event was to develop a commonly shared program to address service delivery issues that impact negatively on local and regional business investment.

MUSEUMS, TOURISM, ARTS AND CULTURE

INTRODUCTION

The key performance area for this section is the preservation and promotion of heritage, arts and culture, management of the Museums (Siege Museum, R.E. Stevenson Museum as well as promoting Ladysmith as a preferred tourism destination. It extends also to management of Tourist Information Office, which provides tourism information, historical information, telephonic information and general information.

Furthermore, the section hosts a number of events that are tourism, heritage and cultural related. These events encompass programmes, which are aimed at generating local economic development and promotion of arts and culture.

Events and Community Outreach Programs	Number
Number of events and programmes conducted as per the approved 2024/2025 Museum and Tourism calendar of events	22
Number of Visitors to the Museum (both Colenso and Ladysmith)	2168

Number of Heritage Sites Visited	11
Number of Tourism Establishment visited	24

3.3 TECHNICAL AND INFRASTRUCTURAL SERVICES DEPARTMENT

3.3.1 ROAD TRANSPORT

The road network in Alfred Duma Local Municipality comprises 908.63km of gravel roads and 305.360km of permanently surfaced roads. Block paving are 13.31km and 2.7km of unclassified roads.

Addressing the backlog in gravel roads remains a major focus area. For the next financial year, Alfred Duma Local Municipality has taken a strategic decision to increase the spending on infrastructure maintenance.

The Municipality has prepared Five (5) year maintenance plans for the Road Infrastructure and approximately R350 Million is required.

The Gravel Road Maintenance Plan involves working one month per annum in each of the municipal wards to address backlogs and maintain existing gravel roads. Roads are constructed in-house making use of Councils plant and equipment's.

Disruptions to the programme are encountered due to equipment aging and skills shortage however annual targets are always met.

In terms of tarred roads, potholes are patched, base failures are repaired preventive maintenance is undertaken in terms of overlays.

STORMWATER

The storm water drainage network in urban areas in the Alfred Duma municipal area comprises a piped system and open drainage channels. The drainage system is in a fair condition with some instances of poor conditions. There are still some areas where there are no formal drainage networks and this causes flooding during summer.

The upgrading of roads however contributes to the addressing of this backlog as storm water drainage is installed together with the construction of roads. Storm water systems are maintained using high pressure jetting and there is a programme in place for cleaning of drains, addressing damaged catch pits, repairing kerbs and channels etc.

The misuse of the storm water system remains a matter of concern. Blockages that cause flooding regularly occur due to alien matter entering drainage pipes. Maintaining and cleaning the system is an ever-increasing expense and effort.

3.3.2 SPENDING AGAINST CAPITAL BUDGET

Description	Original Budget	Actual VAT Incl.
Construction of Roosboom gravel road in Ward 11	R 3 915 764.00	R 3 911 844.81
Construction of gravel road in Matiwane in Ward 23	R 3 911 592.00	R 3 907 242.16
Construction of Burford gravel road in Ward 14	R 4 930 234.00	R 4 907 536.17

Upgrade of Ezakheni Swimming pool in Ward 8 -Phase 2	R 1 300 000.00	R 1 297 771.94
Construction of Emcitsheni Community Hall in Ward 7	R 2 893 539.00	R 2 821 404.80
Construction of 8km gravel road in Waaihoek in Ward 31	R 9 186 329.00	R 9 186 311.44
Upgrade of Peacetown Asphalt Road in Ward 15	R 4 900 000.00	R 4 893 969.56
Construction of KwaManzini Low water crossing in Ward 26	R 2 958 990.00	R 2 958 541.92
Construction of Uitval Asphalt Road in Ward 35	R 9 857 249.00	R 8 833 795.17
Construction of Tholeni asphalt road in Ward 34	R 9 037 873.00	R 8 419 372.68
Construction of Alfred Duma Fitness Centre Phase 4B in ward 13	R 25 794 000.00	R 25 141 721.23
Construction of Ladysmith Animal Pound in ward 11	R 2 531 000.00	R 2 434 599.45
Construction of Dalinkosi Pedestrian Bridge in ward 30 -Phase 2	R 4 000 000.00	R 3 401 962.76
Rehabilitation of Shepstone Road 1.3km	R 8 000 000.00	R 6 140 042.33

3.3.4 ELECTRICITY SERVICES

The number of consumers receiving **50kwh** of free basic electricity is **Nil**.

The Municipality has implemented Pre–Engineering for Schedule 5B Electrification projects in the following areas:

Wards 24 (Mgwiji Farm & Mhlwaneni) - Out of 120 connection only 60 connection were achieved due to Eskom having decommissioned a Medium Voltage Line where the other households were going to be connected from. The budget amount is R 6,147,399.75, which was funded by DMRE. **NOT Achieved**

Wards 18 (Ehlathini Phase 2) - 75 Households were electrified. The budget amount is R2, 814,199.50 which was funded by DMRE. **Achieved**.

Ward 4 (Empungwini Phase 2) - 80 connections electrified. The budget amount is R 2,038,400.30, which was funded by DMRE. **Achieved**.

Ward 29 (Kwazimba phase 2) - R4,556,000.00 was reduced on the INEP Grant by National treasury and this project was effected due to cash flow challenges from the contractor since there was no longer budget allocation for this Project. **NOT Achieved**

Public Lighting Projects were implemented in Ward 7 (Emcitsheni) - 04 High Mast Lights were installed. The budget amount is R 2 443 151 .00. **Achieved**.

Public Lighting Projects were implemented in Ward 14 (Burford) - 04 High Mast Lights were installed. The budget amount is R 2,688,474.002. **Achieved**.

Public Lighting Projects were implemented in Ward 17 (Mathondwane) - 04 High Mast Lights were connected. The budget amount is R 2,662,024.00. **Achieved**.

Public Lighting Projects were implemented in Ward 19 (Driefontein) - 04 High Mast Lights were connected. The budget amount is R 2,662,157.00. **Achieved**

Public Lighting Projects were implemented in Ward 20 (Acaciavalle) - 04 High Mast Lights were connected. The budget amount is R R 2,499,555.00. **Achieved**

Public Lighting Projects were implemented in Ward 25 (Colenso) - 04 High Mast Lights were connected. The budget amount is R 2,519,137.00. **Achieved**

Public Lighting Projects were implemented in Ward 30 - 04 High Mast Lights were connected. The budget amount is R 2,388,780.00. **Achieved**

3.4 PUBLIC SAFETY AND EMERGENCY SERVICES DEPARTMENT

3.4.1. TRAFFIC AND LAW ENFORCEMENT SERVICES

(a) Introduction

Road safety programs assist motorists and pedestrians to act proactively and to change negative behaviour towards road safety. The aim is to reduce the risk of accidents through visibility of officers and the Road Safety Educational programs.

(b) Traffic Policing and By-law Enforcement

Category	Current Year Actual (24/25)
Number of law-enforcement officers in the field on an average day (Traffic and By-Law Enforcement)	30
Number of law enforcement officers on duty on an average day	20

Collisions		23/24 FY	24/25 FY
Number of road traffic accidents during the year (Ladysmith, Steadville and Ezakheni Areas)	Ladysmith	1191	1125
	Steadville	54	41
	Ezakheni	212	199
	Driefontein	40	26
	R103	90	85
	N3	84	74
	N11	173	193
Total		1844	1743

(c) Traffic Policing and By-law Enforcement Policy Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
Provide an effective traffic and law	Number of vehicle check points held per annum	600	7566	Target Achieved for Vehicle Check points to enable law enforcement and increase safety as well as prevent loss of life.

enforcement service	Number of by-law operations held	Ongoing	Ongoing	Awareness operations were held to in respect of educating the community regarding by-laws and their responsibilities in respect of compliance.
	Number of Planned roadblocks held per annum	12	18	Joint Roadblocks were conducted on specific dates.
Ensure proper monitoring of the Client Service Charter	% of motor registration and licensing cases handled within a required time frames	100%	100%	This section consists of testing of candidates for learners and drivers Licenses to determine their proficiency and issuing of law enforcement and is subject to the supply vs. demand concept of the community.
Report to council regularly	Monthly report submitted.	Yes	Yes	Monthly reports are submitted

The following key performance indicators are measured on quarterly basis. Key performance Indicators are the following:

The safety of all road users is of great importance to the Alfred Duma Local Municipal Department Public Safety and Emergency Services and therefore all efforts are made to ensure the safe and free flow of traffic in and around Alfred Duma Local Municipality. Regular high visibility patrols are conducted. Point duty by traffic officers are conducted at certain problematic locations in the mornings.

- **Foot patrols:** Officers engage in both routine (as specified by the operational law enforcement plan) and random foot patrols. This has greatly assisted in regard to management and deterrence of illegal trading, parking violations, and other offences.
- **Roadblocks:** Due to high visibility and alcohol law enforcement during planned roadblocks in conjunction with other role players (e.g.: SAPS, RTI) Traffic Law Enforcement has managed to achieve a marked decrease in motor vehicle accidents during festive periods. Officers. Joint parties carry out targeted enforcement in terms of problematic traffic issues and warrant checks are carried out for all drivers stopped during the course of roadblocks. The visibility of Officers serves as an extreme deterrent to motorists who are likely to drink and drive. In this manner the Department Public Safety and Emergency Services has effectively utilized roadblocks as a tool to prevent loss of life and promote road safety.
- **By-law enforcement:** By-Law officers respond to complaints from the public in regard to health hazards, illegal dumping, stray animals, noise disturbances and other matters. These officers then educate the offenders and make efforts to rectify the source of the problem. By-Law officers liaise with other municipal sections in cases where their assistance is required to resolve an issue and follow up until the resolution of the matter. By-Law officers held operations in respect of educating the community regarding by-laws and their responsibilities in respect of compliance therewith.
- **Vehicle check points (VCP):** Officers utilized vehicle check points to target specific offences (e.g.: not wearing seatbelts, talking on a cellular phone whilst driving) as well as to check for the roadworthiness of vehicles. When officers address these traffic violations it urges motorists to refrain from committing the same offence in future. This resulted in more motorists using their

seatbelts, refraining from using a cellular phone whilst driving and ensuring that their vehicles were in good working condition. In turn, this prevents the loss of life due to driver negligence and ensures road safety.

- **Driving and learners' licenses:** Officers ensure that they always check for the validity of the driver's licence in order to assess if the driver is authorized to drive the vehicle that they are operating. These checks guarantee a decrease in motorists who are likely to operate a vehicle without a valid licence. This is vital, as unlicensed drivers are more likely to pose a hazard to themselves and other road users. The dedicated licence checks by officers therefore contributes to road safety and prevents loss of life on the road.

A total of **11 349** notices were issued by officers during the 2024/2025 period broken down as follows:

TYPE OF NOTICE	NUMBER OF NOTICES 23/24 FY	NUMBER OF NOTICES 24/25 FY
Section 56	13 348	9 709
NIP	1 268	1 640
TOTAL	14 616	11 349

The following is a breakdown of the additional Traffic Related Duties that were carried out during the 2022/2023 Financial Year:

Type of Duty	2023/2024 Financial Year	2024/2025 Financial Year
Vehicle Check Points (VCPs) Roadblocks Conducted	3 852	7 566
Planned Roadblock with SAPS and RTI Conducted	15	24
Drunken Driving Arrests Made	41	175
Warrants of Arrest Executed	1 725	1 947
Income Accrued from Warrants of Arrest Executed	R 2 039 950.00	R 3 971 600.00

- **Law Enforcement Unit:** In May 2022, Council approved the establishment of a Law Enforcement Unit as per Council resolution LC30/05/2022. The establishment of the Law Enforcement Unit is due to increase in the crime rate and continued vandalism of municipal facilities within the Alfred Duma Local Municipality (which includes the arson at community halls, libraries and sports fields) as well as theft of essential municipal infrastructure, the municipality has come up with a crime prevention initiative to reduce these criminal activities that are happening in our area by establishing a Law Enforcement Unit team which would be working together with SAPS in fighting crime.

On the 19th of October 2022, the Mayor introduced the Law Enforcement Unit at the Town Hall at the official launch by means of a Parade. Three (3) Patrol Vehicles have been issued for use to the Law Enforcement Unit. An Analog Number Plate Recognition System (ANPR) was installed into one of the vehicles. The system is used in tracking outstanding warrants of arrests of offenders and can be used to receive reports of suspected stolen vehicles.

SUMMARY OF LAW ENFORCEMENT STATISTICS TO DATE				
Period	Written Notices	Warrants of Arrests Executed	Drunken Driving Arrests	Trucks in CBD
October 2022-June 2023	2614	338	133	1488
July 2023	131	124	-	92
August 2023	165	134	06	65
September 2023	136	137	18	-
October 2023	133	58	28	50
November 2023	144	25	42	28
December 2023	205	93	52	48
January 2024	90	65	21	35
February 2024	166	70	8	32
March 2024	151	3	15	15
April 2024	154	55	13	28
May 2024	204	51	24	18
June 2024	591	112	41	17
<u>Totals</u>	<u>2270</u>	<u>927</u>	<u>268</u>	<u>428</u>
Period	Written Notices	Warrants of Arrests Executed	Drunken Driving Arrests	Trucks in CBD
July 2024	991	99	14	11
August 2024	1156	138	9	27
September 2024	191	184	4	5
October 2024	236	207	11	13
November 2024	847	171	11	28
December 2024	1866	269	50	34
January 2025	2121	146	34	45
February 2025	473	289	13	21
March 2025	811	221	9	40
April 2025	1374	121	8	37
May 2025	752	64	18	54
June 2025	160	40	0	10
<u>Totals</u>	<u>10 978</u>	<u>1 949</u>	<u>181</u>	<u>325</u>

Other Arrests made include the following:

ARREST SUMMARY	SUMMARY JULY 2023 – JUNE 2024	SUMMARY JULY 2024 – JUNE 2025
Reckless and Negligent Driving	6	4
Theft of Cable	2	1
Possession of Drugs	-	1
Stolen MV / Theft of MV	-	1
Theft of Goods	-	1
Total	8	8

SAPS Crime Reporting Statistical Report is being utilised to identify and patrol in high crime areas

3.4.2. LICENSING

The Licensing Section is divided mainly into two sub-sections which deal mainly with the following issues:

MLB – Motor Licensing Bureau:

For the 2024/2025 Financial Year a total of **42 508** (100%) of all vehicle transaction applications were received and processed by 30 June 2025.

DLTC – Driving Licence Testing Centre:

- Application of Learner's, Driving Licence's and PRDP
- Testing Learner's and Driving Licences
- Issue of Lerner's and Driving Licences
- Renewal of Driving licences

For the 2024/2025 Financial Year a total of **2 333** (100%) licences were issued to all successful applicants tested for learner's licences by 30 June 2025.

For the 2024/2025 Financial Year a total of **478** (100%) licences were issued to all successful applicants tested for driving licences by 30 June 2025.

It must be noted that the Licensing Office is mainly a demand driven service delivery section that seeks to facilitate effective Provincial Motor Transport and Traffic Law Administration services in order to ensure compliance with the National Road Traffic Act 93/96.

3.4.3. FIREFIGHTING SERVICES

(a) Introduction

Alfred Duma Local Municipality has a Fire Fighting Service consisting of **Six (6)** permanent fire officers, **Five (5)** Contract Fire Officers and **Twenty (20)** working on fire-trained staff. The top service delivery priorities for the year under review were:

- Preventing the outbreak or spread of fires
- The saving of lives and property
- To react rapidly with the available resources to extinguish reported fires.
- To compile and follow a Control Burning Plan by creating and monitoring a controlled fire in areas where, should a fire occur, it will spread quickly or poses a fire hazard so that future risk will be mitigated
- To conduct Fire Prevention Inspections at business premises to reduce risk and ensure fire safety
- To conduct inspections of tanks, vehicles and premises storing flammable gasses and/or liquids within the municipal jurisdiction in order to mitigate risk and ensure fire safety.

During the year under review, the Alfred Duma Fire Services responded to two hundred and eighty-nine (289) fire and disaster-related incidents within the Alfred Duma Local Municipality's jurisdiction. The unit maintained an average turnout time, particularly within urban areas, in line with operational standards.

The service delivery within the rural areas is still challenging.

Category	Previous Year Number (23/24)	Actual Number (24/25)
Total fires attended in the year	180	165
Average turnout time - rural areas	30 Minutes	30 Minutes
Average turnout time - urban areas	15 Minutes	15 Minutes

INCIDENT TYPE	23/24 TO DATE	24/25 TO DATE
Formal Structural Fires	48	31
Veld / Forest Fires	89	107
Disaster Related Incidents	39	124
Other Incident / Rubble	17	11
Motor Vehicle on Fire	26	16
TOTAL CALLS	219	289

The following is a breakdown of the Fire Related Service Duties carried out during the 2024/2025 Financial Year:

DESCRIPTION	23/24 TO DATE	24/25 TO DATE
Fire Prevention Inspections	501	914
Building plans	174	87
Business Licenses	53	123
Certificate of Registration	105	97
Fire Hydrants Inspected	138	75

(b) Fire Service Policy Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
Compliance Indicators				
Communicate Disaster Management Plan with relevant role-players	Number meetings held	1	1	Disaster Management Plan was perused and reviewed for adoption by the Alfred Duma Local Municipal Council
Compilation and annual review of the Disaster Management Plan	Compilation completed by 30 th June 2025	29/05/2025	Submitted to Council for approval and adoption as per meeting	Plan will be reviewed and workshopped with relevant parties

			held in May 2025	The following Plans were adopted accordingly as per LC11/05/2025: a. Disaster Management Plan b. Winter Season Contingency Plan c. Summer Season Contingency Plan d. Disaster Management Sector Plan e. Disaster Risk Policy Framework Plan
Disaster Management Sector Plan	Compilation completed by 30 th June 2024	30 th June 2024	Submitted to IDP and then to COGTA	Plan will be reviewed and workshopped accordingly
Provide a quality firefighting service	Monthly inspection of vehicles and equipment done?	Yes	Yes	This is done on a bi-weekly basis as well as during random inspections.
	Number of vehicles not operational for more than 5 days during the month	0	0	This is checked on a bi-weekly basis as well as during random inspections.
	Complaints not sufficiently addressed within 5 days regarding firefighting services	0	0	All complaints were sufficiently addressed within 5 days.

(c) Employees: Fire Services

Salary Level (Task Grades)	Permanent Posts	Short Term Contract Posts	Employees	Vacancies
05 - 10	5	6	5	1
11 - 14				
15 - 18	1			
Total	6	6	5	1

3.4.4. Fleet Management

The Fleet Section currently comprises of the Assistant Manager: Fleet, two Administrative Clerks, one Superintendent, five Mechanics, one qualified Tyre Technician, one qualified Auto Electrician, two Motor Mechanic Assistants and four Driver/Mechanic Assistants.

This team is responsible for the management, internal repair and maintenance of approximately two hundred and seventy-three (273) Council vehicles. These vehicles are categorised accordingly, with

the abovementioned staff complement solely responsible for all internal servicing and repairs, assessment of external repair needs and routing of vehicles for outsourcing where required.

TYPE OF COUNCIL OWNED VEHICLE	TOTAL AMOUNT OF VEHICLES (23/24)	TOTAL AMOUNT OF VEHICLES (24/25)
Light Motor Vehicles	143	135
Heavy Motor Vehicles	87	95
Plant	40	43
Total Fleet	270	273

This shortage of manpower creates a challenge in terms of the turnaround time for the repairs of vehicles. Long turnaround times affect service delivery. Supply Chain delays are also a contributing factor in the increased turnaround time. Driver abuse results in the increased frequency that vehicles visit the workshop. Vehicle abuse is reported to the Municipal Manager for disciplinary action. Service level agreements are in place for the repairs and maintenance to Council's fleet.

The following repairs were carried out to Council vehicles during the 2024/2025 Financial Year:

Type of vehicle	23/24 FY		24/25 FY	
	Insource d	Outsource d	Insource d	Outsource d
Number of light vehicles received and attended to	400	26	538	25
Number of heavy vehicles received and attended to	533	29	559	31
Number of heavy plants received and attended to	150	11	120	0

The Number of Tyre Fitments and Repairs conducted over the 2024/2025 Financial Year is as follows:

TYRE FITMENT AND PUNCTURES	No
Fitments	165
Tyre Punctures	362

3.5 COMMUNITY & SOCIAL SERVICES DEPARTMENT

3.5.1 PARKS, RECREATIONAL AREAS, SWIMMING POOLS AND CEMETERIES

(a) Introduction

The Community and Social Services Department provides various service delivery functions within the Alfred Duma Local Municipality. These functions encompass the sections responsible for parks, recreational areas, swimming pools, and cemeteries; community facilities and halls; as well as cleansing and solid waste management.

The services provided to the community under the parks, recreational areas, swimming pools, and cemeteries include grass cutting, greening, beautification, alien plant control, and the maintenance of parks and sports grounds. Additionally, there is maintenance for swimming pools, as well as the development and management of cemeteries.

Under the community facilities and halls section, services such as the repair, upgrade, and maintenance of halls and Thusong centres are offered. The municipality also operates several libraries, which provide a range of services, including internet access.

Under the Cleansing and Solid Waste section, various services are offered, including street cleaning, night-time street cleaning, household refuse collection, the clearing of illegal dumping hotspots, environmental education and awareness campaigns, the provision of skips to manage illegal dumping, recycling initiatives, and landfill site management.

3.5.1 PARKS, RECREATIONAL AREAS, SWIMMING POOLS AND CEMETERIES

(a) Introduction

Alfred Duma Local Municipality operates and maintains 16 sports facilities a multipurpose sporting centre offering eleven (11) sporting codes and 7 public swimming pools. These facilities cater for a variety of sporting codes including soccer, netball, tennis, volleyball basketball, boardgames and including outdoor gyms for fitness enthusiasts. Vandalism of facilities is an area of concern and constant supervision is required as a mitigation measure. Unfortunately, full time supervision cannot be provided at all facilities due to the operational cost implications. The cost of the operation and maintenance of sport facilities remains challenge as sport facilities in rural areas do not generate enough income to cover the operation and maintenance expenditure.

The department has a technical team (welder, builder & tiller) which is responsible for in-house renovations and repairs. A tree felling team which is responsible for removal of alien invasive species within the environmental legislative, attending to trees that are obstructing traffic and electricity lines.

There are five (5) active, out of the Seven (7) Municipal Swimming pools operating during the 2024/2025 swimming season and conducted Water Awareness Safety in partnership with private swimming instructors. The swimming season ended at the end in March 2025. The Teams are busy with maintenance of the pools ensuring the pools are ready for the next season especially on the active pools which are:

- White Road Swimming pool
- Agra Swimming Pool
- Limit Hill Swimming Pool

- St Chads Swimming Pool
- E section Swimming Pool (Ezakheni)

The Municipality operates and maintains 12 cemeteries (5 active and 7 closed due to none availability of burial space). The services provided include the timely and correct preparation of graves for use, maintaining a register of graves and the maintenance of cemeteries to an acceptable level of tidiness. The Municipality maintains public open spaces from all Municipal wards and entrance gardens through grass cutting, kerb and gutter cleaning ensuring municipal areas are ecstatically pleasing.

(b) Parks and Recreational Areas and Swimming Pools Policy Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
Compliance Indicators				
To preserve and protect the natural environment and bio-diversity.	Number of trees planted through promotion of greening programme by 30 June 2025	50	61	The Municipality was afforded more trees through the partnership between Department of Agriculture, Fisheries & Forestry for the greening programme.

(c) Comment on the performance of sport, parks and recreational areas and swimming pools overall

- The section is battling vandalism in most facilities and shortage of funds for maintenance purposes.
- The section was able to increase revenue collection in most of the Sport facilities.

3.5.2. Community facilities and halls

(a) Introduction

The Department of Community Services is responsible for the administration of the Municipality's property portfolio, such as community halls.

(b) Community Facilities and Halls Policy Objectives

Performance Objectives	Key Performance Indicator	Comments
Adequately maintain facility infrastructure	Number of community halls maintained	The funds available for the repairs and maintenance of the community hall is not sufficient for the number of facilities The insurance claim payments do not meet the amount of damages experienced at the facilities
Provision of caretaker ship in all municipal halls	Number of halls with caretaker ship services	The department does not have enough caretakers and transportation for each facility. Facilities have been grouped into clusters in order to try and mitigate the shortage of caretakers. To be included on the new organogram and no budget available for employment of caretakers.

(c) Comment on the performance of the community halls overall

- Challenge with vandalism of the community facilities
- Caretakers and general workers are rotated as when required for cleaning and transporting of tables and chairs.

- Provision of transport at the Halls is a major challenge, in transporting workers for maintenance purposes.
- The section aims in attracting private business sectors to operate at the Multipurpose Centre.

3.5.3 Functionality and sustainability of community service centres

- The Department of Community Services is also responsible for the administration of the Municipality's property portfolio, such as Thusong centres.
- The Alfred Duma Local Municipality has 5 (five) Community Services Centres (CSC) in the St Chads, Roosbom, Watersmeet, Ekuvukeni and Driefontein areas. Large number of people from these previously under-served communities use these facilities to access government services and other related services. However, most government departments have stopped rendering their services in these CSC.
- All Thusong Centres are now connected to the ITC connectivity this initiative is meant to try and attract more business to the centres.

(a) Comment on the performance of Community Service Centres overall

- Challenge with vandalism at the at the community facilities
- The section aims to provide access to Government services (e.g.: Home Affairs) to the surrounding community and to promote the social economic opportunities at the Thusong Centres.
- The section aims in attracting private business sectors to operate in both the Thusong and Multipurpose Centre.

3.5.4. Libraries

(a) Libraries Objectives

Alfred Duma Local Municipality oversee Seven (7) libraries within the jurisdiction. These include libraries in Agra-Crescent, Colenso, Steadville, Ezakheni, Ekuvukeni. Somshoek and Town Main Library operate from Monday to Saturday. The municipality has successfully implemented mini libraries at the Watersmeet, St Chads, Driefontein and Roosboom in 2024/2025 financial year.

The Department of Sport, Arts and Culture (DSAC) allocated funding for the employment of a Cyber Cadet at Driefontein Satellite Library and donated computers to establish a Cyber Café. Driefontein Satellite Library is now fully functional.

Performance Objectives	Key Indicator	Performance	Target	Actual	Comments
Compliance Indicators					
Promote and Safeguard library materials through user education programs	Number of annual consumer training programs/Library orientations and Outreach programmes		60	132	Programs are based on the library events calendar, school demand, and invitations from institutions
Improving Membership	Number of new memberships			1124	
	Number of school visits conducted			25	Based on request and awareness calendar

3.5.5. Refuse removal and landfill site management

Refuse removal service is provided in all urban areas and part of rural areas (Ekuvukeni, Waaihoek and Uitvaal) in the Alfred Duma municipality.

(a) Refuse Removal Objectives

The strategic objective of the refuse removal is to provide an efficient, effective and economic service.

Refuse Removal Objectives	
The strategic objective of refuse removal is to provide an efficient, effective and economic service.	Key Performance Indicator
Performance Objectives	
Access to refuse removal	To ensure that all households have access to a basic refuse removal service.
Clearing of illegal dumping	To ensure that clearance of illegal dumping is done consistently to all wards. To ensure hotspot areas are provided with skips and, containers and serviced effectively.
Promote Environmental awareness in the community Conduct clean-up campaigns	
Landfill Site Management Objectives	The strategic objective of the landfill site is providing disposal services in a manner that is environmentally sound, legally compliant and economically sustainable while ensuring minimal impact on human health and the environment.
Performance Objectives	
Compliance with legislation	To ensure that landfill site operates in compliance with the Waste Act and permit/licence conditions.
Operational efficiency	To ensure that there is a daily compaction and covering of waste; waste loads recorded and classified.
Stakeholder access	To ensure that different municipal stakeholders are provided an option to dispose their waste at the landfill site.

(b) Comment on the performance of Cleansing and Solid Waste section

The section is faced with the fleet challenges i.e. aging vehicles and mechanical breakdowns. Currently, the section operates with 6 (six) out of 8 (eight) reliable compactor trucks, which makes it difficult to perform refuse collection with due diligence in all the wards.

CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE**4A INTRODUCTION TO THE MUNICIPAL WORKFORCE****4.1 Employee totals, turnover and vacancies**

Employee totals **1058**, Turnover – **2.4%** and Vacancies - **26**

4B. Managing the municipal workforce**4.2 Policies:**

2024/2025 financial year adopted policies

1. Acting Allowance Policy
2. Batho Pele Principles
3. Code of Conduct
4. Code of Ethics
5. Customer Care Policy
6. Dress Code Policy
7. Overtime Policy
8. Placement of Staff Policy
9. Practical Experiential and Training Policy
10. Standby Allowance Policy
11. Capacity Building Policy for Employees
12. Promotion, Recruitment and Selection Policy
13. Sexual Harassment Policy
14. Attendance and Punctuality Policy
15. Leave Management Policy for Senior Managers
16. Employment Equity Policy
17. Strike Management Policy
18. Disciplinary Policy and Procedure
19. Job Evaluation Policy
20. Medical Aid Policy
21. Job Creation Policy
22. Termination of Contract Policy
23. Scarce Skills Policy
24. Performance Management Policy
25. Human Resources Strategy
26. Employee Health and Wellness Policy
27. Leave Policy for Municipal Employees
28. Occupational Health and Safety Policy
29. Travel Allowance Policy

4.3 Injuries, Sickness & Suspensions

DEPARTMENT	SECTION	IOD	SICK LEAVE	COMMENTS
Municipal Manager's office	• Office of the Mayor TOTAL	101	1616	Only one injury on duty in this financial year.

Budget and Treasury	Nil	Nil	Nil	No injury on duty cases in this financial year
Corporate Services	Nil	Nil	Nil	No injury on duty cases in this financial year
Development Planning and Human Settlement	Economic Development TOTAL	01 01	04 04	Only one injury on duty in this financial year
Community and Social Services	- Cleansing and Solid Waste - Parks and Gardens TOTAL	11 07 18	62 22 84	This section has high rate of incidents and accidents resulting in injuries. Cleansing and Solid Waste section is a high-risk area with a lot of hazards in refuse trucks. Department management and Occupational Health and Safety Office to conduct incident investigation to pick up trends of the accidents and incidents. Risk Assessments as per new corrective measures and lessons learnt from accidents and incidents. Conduct Job Analysis and Job Observations. Conduct Induction for new employees, awareness and refresher training for old employees. Continuous inspections and tool box talks are high priority in these sections.
Public Safety and Emergency Services	- Fleet services - Traffic and Licensing - Security TOTAL	03 03 02 08	27 23 07 57	Mechanical workshop has reported an increase in number of injuries reported in the section. Nature of job is very hazardous. Risk Assessment has been reviewed and corrective measures are to be implemented and closely monitor the work environment. Traffic officers also have high risk jobs, as much as there are no high numbers of accidents. Inductions, refresher training and awareness needs to form part of parade to discuss safety issues.
Technical and Infrastructural Services	- Electrical Engineering Services - Maintenance TOTAL	03 04 07	13 21 34	Electricity section still remains as high-risk area. There are always injuries on duty cases reported due to the hazardous nature of work. There is a drop in number of cases compared to last financial year.

Management to ensure compliance with Occupational Health and Safety Act No. 85 of 1993 and Regulations and Compensation for Occupational Injuries and Disease Act 1993 in all departments:

- Management to prioritise budget for Panel of doctors to assist with case management of all injury of duty cases and provide a rehabilitation plan for all injured employees.
- Occupational Health and Safety Office and departments to continuously provide more support for all Injured employees.
- To ensure strong communication channel on departments to report to Occupational Health and Safety Office immediately all incidents and accidents as they occur and case management.
- Departments and Occupational Health and Safety office to continuously review and update on Risk Assessment for all departments
- Training of Senior Management on Legal Liability, Occupational Health and Safety Act no 85 of 1993 with regulations and Compensation for Occupational Injuries and Disease Act 1993
- Training of Management representatives, Supervisors. team leaders and Health and Safety Committee on Occupational Health and Safety Act no 85 of 1993 with regulations and Compensation for Occupational Injuries and Disease Act 1993, Incident Investigation, Hazard Identification and Risk Assessment is high priority for all Incidents and accidents to assist reduce Injuries on duty
- All departments to provide correct Personal Protective Equipment, training employees on the correct use and daily monitoring of Personal Protective Equipment

4.4 Performance Rewards

Performance bonuses are only paid to the deserving section 54/56 managers who were assessed by the Performance Evaluation Committee established by Council.

The following Managers are subjected to performance evaluations:

MUNICIPAL MANAGER AND EXECUTIVE DIRECTORS
Municipal Manager
Executive Director: Corporate Services
Executive Director: Community Services
Executive Director: Development Planning and Human Settlements
Chief Financial Officer
Executive Director: Technical and Infrastructural Services
Executive Director: Public Safety and Emergency Services

4C Capacitating the municipal workforce

1.5 Skills Development & Training

Skills development enhances the capability of employees to improve the Workforce efficiencies in the employee's specific sphere of influence, productivity in the workplace and the quality of life of workers, their prospects of work and their mobility. It enhances Career Development.

ONSITE TRAINING PROGRAMMES CONDUCTED FOR THE 2024/2025 FINANCIAL YEAR

NAME OF TRAINING	NUMBER OF OFFICIALS ATTENDED
By law Enforcement Training	8
Public Finance and Management Training	40
Environmental Hygiene Training	38
Certificate – Generic Management	34
Upgrade to Code EC driver's license	8
MFMP	1

CHAPTER 5: FINANCIAL PERFORMANCE**5.1 STATEMENTS ON FINANCIAL PERFORMANCE****5.2 GRANTS**

GRANT	BUDGET	SPENT
FINANCE MANAGEMENT GRANT	R 2 000 000	R 2 000 000
EXPANDED PUBLIC WORKS GRANT (EPWP)	R 2 471 000	R 2 471 000
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	R 4 000 000	R 3 949 429
MUSEUM SUBSIDY GRANT	R 260 000	R 260 000
MUNICIPAL DISASTER RESPONSE GRANT (MDRG)	R 4 805 173	R 4 768 943
MUNICIPAL DISASTER RECOVERY GRANT (MDRG)	R 50 740 000	R 18 301 158
MUNICIPAL INFRASTRUCTURE GRANT (MIG)	R 82 415 000	R 82 095 166
PROVINCIALISATION OF LIBRARIES	R 6 149 000	R 6 149 000
RECAPITALISATION OF LIBRARIES (CYBER CADETS)	R 2 394 000	R 2 394 000
DEPARTMENT OF SPORT AND RECREATION GRANT (SIG)	R 10 794 000	R 10 794 000
MAINTENANCE OF SPORT FACILITIES GRANT	R 822 000	R 822 000
HOUSING ACCREDITATION GRANT	R 6 156 480	R 4 400 552
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	R 2 000 000	R 2 000 000
FLOODING ASSESSMENT GRANT (EDTEA)	R 500 000	R 0
CLEANEST MUNICIPAL AWARD (EDTEA)	R 400 000	R 400 000
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)	R 4 000 000	R 4 000 000
LOCAL GOVERNMENT SECTOR EDUCATION AND TRAINING (LGSETA)	R 1 645 302	R 1 501 662

5.3 ASSET MANAGEMENT

Details on asset management and key elements of asset management policy

The Asset Management Section falls under the Budget and Treasury Department who are responsible for financial reporting for all assets that belong to Council. The Assets Section has had its challenges from the inception of GRAP as the reporting standards to a fully-fledged Asset Management Unit within the Municipality. Council's Audit opinion has revealed a significant change noting that all asset queries have been resolved. We have reviewed and amended the organogram in an attempt to ensure that we have enough resources in terms of capacity and human resources. The Assets & Inventory Section has a Manager: Assets & Inventory, Assistant Manager: Assets & Inventory, two (2) Senior Accountant\': Assets, Accountant: Assets and Accountant: Inventory in its middle and senior management. The outcomes of the previous three (3) financial years audit are indicative of progress made in the Asset's Management Unit of the Municipality and in the financial year under review we have planned to have no material adjustments, which may fall under matters of emphasis on the report. Asset Management according to the MFMA is the responsibility of the Accounting Officer, which is then further delegated to departmental HODs. This is a clear indication that Asset Management needs the co-operation of many stakeholders as there is not a single person appointed by Council that is not affected by Asset Management whether directly or indirectly.

The Asset Management Unit has the responsibility to manage assets acquisition as per the SCM Regulations. We have further generated a procedure manual and reviewed it in the current financial year to try and increased internal controls to manage the movement of assets within council. We are further responsible for generating controls to ensure the safeguarding of assets but still every year we experience theft, losses and vandalism of Council's assets where all departmental Heads need to play their oversight roles. Disposal Management is also one of the key areas that we are focused on, to ensure that all necessary processes are adhered to as per the requirement of Section 14 of the MFMA. The Asset Management Section works closely with the Internal Audit Section and has implemented an Asset Steering Committee with representation from all departments to increase efficiency in information flow, as well as to deal with roles and responsibilities of departments and the Budget and Treasury department as the consolidation and reporting of all work done by departments lies with the Budget and Treasury department. Repairs and Maintenance of Council's Assets are also largely affected by the outcomes of the asset verification and final asset registers even though there isn't sufficient budget to carry out our Maintenance plans.

This financial year the Infrastructure and Technical Services Department has further appointed a service provider to recalculate our provision to rehabilitate the landfill sites and to Net Present Value it which was successfully achieved. Furthermore, a consultant has been appointed to deal with the impairment assessment for all projects that have not been finalized for more than one reporting period.

The Department: Development Planning & Human Settlements has further appointed a Heritage Assets Specialist to review conditions, impairment as well as conservation of Councils Heritage Assets which was also successfully achieved.

A lot of work has been done, and we have noted a lot of improvement in this regard but a lot of work still needs to be done collectively to ensure that the municipality receives positive audit outcomes.

Details on three largest assets acquired during the financial year.

In the current financial year, we have noted the following projects to be amongst the top three (3) in terms of costs:

PROJECT DISCRPTION	BUDGET	ACTUALS
CONSTRUCTION OF ALFRED DUMA FITNESS CENTRE PHASE 4B (SIG)	R 10 794 000.00	R 10 793 999.98
CONSTRUCTION OF ALFRED DUMA FITNESS CENTRE PHASE 4B (MIG)	R 10 000 000.00	R 10 000 000.01
CONSTRUCTION OF 8KM GRAVEL ROAD IN WAAIHOEK IN WARD 31	R 9 186 329.00	R 9 186 311.44
CONSTRUCTION OF ASPHALTS ROAD IN WARD 35	R 9 260 227.00	R 8 336 319.36

These projects have a large impact to our communities as they make life simpler, safer and civilized as those are some of our objectives to improve the lives of our constituents.

5.4 Financial Ratios

Current Ratio: 1: 3.28

Acid Test Ratio: 1: 2.58

5B Spending against Capital Budget

5.5 Capital expenditure

PROJECT	BUDGET	ACTUALS
CONSTRUCTION OF LADYSMITH ANIMAL POUND FARM IN WARD 11 PHASE 2	R 2 531 000	R 2 434 599.45
CONSTRUCTION OF ROOSBOOM GRAVEL ROAD IN WARD 11	R 3 915 764	R 3 911 844.81
CONSTRUCTION OF EMCITSHENI COMMUNITY HALL IN WARD 7	R 2 893 539	R 2 821404.80

UPGRADE OF SWIMMING POOL IN WARD 8 - PHASE 2	R 1 300 000	R 1 297 771.94
INSTALLATION OF HIGH MAST LIGHTS IN WARD 7	R 2 443 151	R 2 361 801.00
CONSTRUCTION OF LOW WATER CROSSING IN KWAMANZINI IN WARD 26	R 2 958 990	R 2 958 541.92
CONSTRUCTION OF GRAVEL ROAD IN MATIWANE IN WARD 23	R 3 911 592	R 3 907 242.16
UPGRADE OF PEACETOWN ASPHALT ROAD IN WARD 15	R 4 900 000	R 4 893 969.56
INSTALLATION OF HIGH MAST LIGHTS IN WARD 14	R 2 688 474	R 2 579 773.75
INSTALLATION OF HIGH MAST LIGHTS IN WARD 17	R 2 662 024	R 2 553 543.75
INSTALLATION OF HIGH MAST LIGHTS IN WARD 19	R 2 662 157	R 2 568 051.87
CONSTRUCTION OF BURFORD GRAVEL ROAD IN WARD 14	R 4 930 234	R 4 907 536.17
INSTALLATION OF HIGH MAST LIGHTS IN WARD 20	R 2 499 555	R 2 499 554.90
CONSTRUCTION OF ALFRED DUMA FITNESS CENTRE PHASE 4B (SIG)	R 10 794 000	R 10 793 999.98
CONSTRUCTION OF ALFRED DUMA FITNESS CENTRE PHASE 4B (MIG)	R 10 000 000	R 10 000 000.01
INSTALLATION OF HIGH MAST LIGHTS IN WARD 30	R 2 644 907	R 2 539 117.87
CONSTRUCTION OF 8KM GRAVEL ROAD IN WAAIHOEK IN WARD 31	R 9 186 329	R 9 186 311.44
CONSTRUCTION OF ASPHALT ROAD IN WARD 35	R 5 280 038	R 5 280 038.00
CONSTRUCTION OF ASPHALT ROAD IN WARD 34	R 6 116 937	R 6 079 050.80
INSTALLATION OF HIGH MAST LIGHTS IN WARD 25	R 2 519 137	R 2 499 039.02
INSTALLATION OF HIGH MAST LIGHTS IN WARD 36	R 2 388 780	R 2 281 475.80
SKIPS – CLEANEST MUNICIPAL AWARD	R 200 000	R 199 999.95
TOOLS OF TRADE AND EQUIPMENT – MAINTENANCE OF SPORTSFIELD GRANT	R 370 000	R 321 044.98
REHABILITATION OF ELM STREET	R 1 990 000	R 716 447.24
REHABILITATION OF MADRAS ROAD	R 3 000 000	R 2 994 135.40
RESURFACING OF TANJORE ROAD	R 2 500 000	R 1 804 725.00
REHABILITATION OF NEWCASTLE ROAD	R 6 000 000	R 1 898 185.40
REHABILITATION OF SHEPSTONE ROAD	R 8 000 000	R 6 140 042.33
RESURFACING OF CHISTY PLACE	R 6 000 000	R 0
REFURBISHMENT OF KWAMNANGENI LOW WATER CROSSING	R 3 000 000	R 326 093.74
REFURBISHMENT OF MTATENI LOW WATER CROSSING	R 3 000 000	R 363 792.91
RECONSTRUCTION OF BURFORD CEMETRY LOW WATER CROSSING	R 3 500 000	R 348 020.29
REHABILITATION OF KWAMAYTHANQAZA TO C1 CEMETRY MAIN	R 5 500 000	R 3 709 715.22
DAMAGE TO INFRASTRUCTURE POLES/LINES – DUNSKRAAL INDUSTRIAL AREA	R 8 250 000	R 0

FURNITURE AND EQUIPMENT (GRANTS)	R 3 656 250	R 2 387 429.02
CONSTRUCTION OF ASPHALT ROAD IN WARD 35 (COUNCIL)	R 3 980 189	R 3 056 281.36
CONSTRUCTION OF ASPHALT ROAD IN WARD 34 (COUNCIL)	R 2 920 900	R 2 340 321.88
CONSTRUCTION OF EMANGWENI LOW WATER CROSSING	R 5 000 000	R 2 751 572.80
FURNITURE AND EQUIPMENT (COUNCIL)	R 1 064 584	R 1 049 876.32
REFURBISHMENT OF ELECTRICAL	R 3 000 000	R 775 600.00
SECURITY CAMERA	R 3 000 000	R 2 939 604.13
INSTALLATION OF ALARMS	R 500 000	R 267 737.96
IT NETWORKS	R 2 000 000	R 1 599 489.58
IT HARDWARE	R 1 200 000	R 827 800.33
FUEL BOWSER	R 900 000	R 705 000.00
SECURITY UPGRADE AT STORES	R 2 000 000	R 1 996 205.00
MUNICIPAL FLEET	R 22 000 000	R 20 720 787.58
REFUSE CONTAINERS	R 2 221 000	R 1 756 587.00
FIREARMS	R 500 000	R 431 917.60
CONTAINERS	R 350 000	R 159 879.00
ELECTRICITY STRENGTHENING	R 992 888	R 525 952.18
CONSTRUCTION OF DALINKOSI PEDESTRIAN BRIDGE IN WARD 30 – PHASE 2	R 4 000 000	R 3 401 962.76
CONSTRUCTION OF ALFRED DUMA FITNESS CENTRE PHASE 4B	R 5 000 000	R 4 347 721.24
ELECTRIFICATION OF HOUSEHOLDS IN KWAZIMBA – WARD 29	R 1 000 000	R 0
BOREHOLE PUMP (INDAKA OFFICES)	R 95 000	R 85 000.00
WEIGH BRIDGE AND PURCHASE OF IT EQUIPMENT AND SOFTWARE	R 400 000	R 34 576.75
LANDFILL SITE PALISADE FENCING	R 350 000	R 0
VEHICLES FOR PUBLIC OFFICE BEARERS	R 700 000	R 667 975.67
TRAFFIC SIGNS	R 50 000	R 33 417.38
EKUVUKENI RADIO REPEATER STATION - ELECTRICITY	R 110 000	R 78 280.00
TIDE FLEX VALVES	R 1 300 000	R 1 127 697.39

5.6 Source of finance

The municipality's grant funding amounted to 69% of the capital budget and 29% of the total budgeted revenue of the municipality. The municipality has 2 loans with an outstanding balance of R 1 598 490 at the end of the financial year.

5.7 Capital Spending on 5 largest projects

PROJECT DISCRIPTION	BUDGET	ACTUALS
1. A) CONSTRUCTION OF ALFRED DUMA FITNESS CENTRE PHASE 4B (SIG)	R 10 794 000.00	R 10 793 999.98
B) CONSTRUCTION OF ALFRED DUMA FITNESS CENTRE PHASE 4B (MIG)	R 10 000 000.00	R 10 000 000.01
2. CONSTRUCTION OF 8KM GRAVEL ROAD IN WAAIHOEK IN WARD 31	R 9 186 329.00	R 9 186 311.44
3. CONSTRUCTION OF ASPHALTS ROAD IN WARD 35	R 9 260 227.00	R 8 336 319.36
4. CONSTRUCTION OF ASPHALTS ROAD IN WARD 34	R 9 037 837.00	R 8 419 372.68
5. REHABILITATION OF SHEPSTONE ROAD	R 8 000 000.00	R 6 140 042.00

5C Cash flow Management & Investment

5.10 Borrowing & Investments

The municipality has two (2) loans with an outstanding balance of **R1 598 490** at the end of the financial year. The loan with ABSA bank is at the fixed interest rate of **9.10%** with a balance of **R 445 868** outstanding at the end of the financial year and is in respect of the Tsakane Electrification. The loan with DBSA is at the fixed interest rate of **5%** with a balance of **R1 152 622** outstanding at the end of the financial year and is in respect of the former Indaka local municipality office buildings.



AUDITOR-GENERAL
SOUTH AFRICA

AUDIT REPORT

Alfred Duma Local Municipality

2024-25

Report of the auditor-general to KwaZulu-Natal Provincial Legislature and the council on Alfred Duma Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Alfred Duma Local Municipality set out on pages 121 to 251, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statements of changes in net assets, cash flow statement and the comparison of statement of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Alfred Duma Local Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note in note 56 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2025.

Material impairments

8. As disclosed in note 5 to the financial statements, the municipality recognised an allowance for impairment of R128,80 million (2023-24: R174,15 million) on receivables from exchange transactions as the recoverability of these amounts was doubtful.
9. As disclosed in note 6 to the financial statements, the municipality recognised an allowance for impairment of R601,17 million (2023-24: R492,04 million) on receivables from non-exchange transactions as the recoverability of these amounts was doubtful.

Material losses

10. As disclosed in note 46 to the financial statements, material losses of R 100,24 million (2023-24: R 19,59 million) was incurred as a result of a write-off of irrecoverable trade debtors.
11. As disclosed in note 37 to the financial statements, material electricity losses of R 61,35 million (2023-24: R54,17 million) was incurred, which represents 16,47% (2023-24: 16%) of total electricity purchased. Technical losses amounted to R 18,62 million (2023-24: R17,01 million) and was due to power dissipation in the electricity system components. Non-technical losses amounted to R 42,73 million (2023-24: R 37,17 million) and were due to theft of electricity.

Other matters

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and DORA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

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

Key performance area	Page numbers	Purpose
Basic service delivery and infrastructure development	253-255	To ensure improved access to basic service

20. I evaluated the reported performance information for the key performance area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
21. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives.
 - all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included.

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

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

23. The material findings on the reported performance information for the selected programme are as follows:

Basic service delivery and infrastructure development

Various indicators

24. Various indicators and their targets were not clearly defined during the planning process. Consequently, the indicators and their targets are not useful for measuring and reporting on progress against the municipality's planned objectives.

Indicator	Target	Detail
Number (in kilometres) of rehabilitation ELM Street in ward 20 by 30 June 2022	Commencement with supply chain management processes for the appointment of a suitable service provider/ contractor for rehabilitation of 0,29 kilometres (km) ELM Street in ward 20 by 30 June 2025	There were inconsistencies between the quarterly targets, yearly targets and reported achievement. This discrepancy highlights misalignment within the approved plans, while the incorrect reporting undermines transparency and accountability.
Number (in kilometres) of rehabilitation Madras road in ward 10 by 30 June 2025	Commencement with supply chain management processes for the appointment of a suitable service provider/ contractor for rehabilitation of 0,5km Madras road in ward 10 by 30 June 2025	
Number (in kilometres) of resurfacing Tanjore road in ward 10 by 30 June 2025	Commencement with supply chain management processes for the appointment of a suitable service provider/ contractor for resurfacing of	

Indicator	Target	Detail
	0,68km Tanjore road in ward 10 by 30 June 2025	
Number (in kilometres) of rehabilitation of Newcastle road in ward 22 by 30 June 2025	Commencement with supply chain management processes for the appointment of a suitable service provider/ contractor for rehabilitation of 0,65km Newcastle road in ward 22 by 30 June 2025	
Number (in kilometres) of rehabilitation of Shepstone road in ward 22 by 30 June 2025	Commencement with supply chain management processes for the appointment of a suitable service provider/ contractor for rehabilitation of 1,3km Shepstone road in ward 22 by 30 June 2025	
Number (in kilometres) of resurfacing of Chisty place in ward 13 by 30 June 2025	Commencement with supply chain management processes for the appointment of a suitable service provider/ contractor for resurfacing of 2,1km Chisty place in ward 13 by 30 June 2025	
Date of refurbishment of kwaMnangeni low water crossing in ward 30 by 30 June 2025	Commencement with supply chain management processes for the appointment of a suitable service provider/ contractor for refurbishment of kwaMnangeni low water crossing in ward 30 by 30 June 2025	
Date of reconstruction of Burford cemetery low water crossing in ward 14 by 30 June 2025	Commencement with supply chain management processes for the appointment of a suitable service provider/ contractor for reconstruction of Burford cemetery low water crossing in ward 14 by 30 June 2025	
Number (in kilometres) for rehabilitation of KwaMaythanqaza to C1 cemetery main at ward 3 and 5 by 30 June 2025	Commencement with supply chain management processes for the appointment of a suitable service provider/ contractor for rehabilitation of 1,8km KwaMaythanqaza to C1 cemetery main road 1,8km in ward 3 /5 by 30 June 2025	
Number (in kilometres) damage to infrastructure poles/ lines –Danskraal industrial area at ward 22 by 30 June 2025	Commencement with supply chain management processes for the appointment of a suitable service provider/ contractor for the damage to infrastructure poles/ lines– Danskraal industrial area 3km in ward 22 by 30 June 2025	There were inconsistencies between the quarterly targets, yearly targets and reported achievement. This discrepancy highlights misalignment within the approved plans, while the incorrect reporting undermines transparency and accountability. Furthermore, the indicator and target do not include the actions to be implemented by the municipality.

Indicator	Target	Detail
Date of refurbishment of Mtateni low water crossing in ward 17 by 30 June 2025	Commencement with supply chain management processes for the appointment of a suitable service provider/ contractor for refurbishment of Mtateni low water crossing in ward 17 by 30 June 2025	There were inconsistencies between the quarterly targets, yearly targets and reported achievement. Furthermore, there were inconsistencies between the planned indicator and planned targets. This discrepancy highlights misalignment within the approved plans, while the incorrect reporting undermines transparency and accountability.

Other matter

25. I draw attention to the matters below.

Achievement of planned targets

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

27. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 253 to 255.

Basic service delivery and infrastructure

<i>Targets achieved: 77%</i> <i>Budget spent: 98%</i>		
Key indicator not achieved	Planned target	Reported achievement
Number of households provided with electricity infrastructure by ADLM to accommodate new connections in terms of the ESKOM schedule 5b programme by 30 June 2025	346	204
Percentage of households with access to basic solid waste removal in the Urban Area by 30 June 2025	100%	99%
Number of Households in Mgwiji Farm and Mhlwaneni Phase 2- Ward 24, to be electrified and ready for commissioning by Eskom by 30 June 2025	120	60
Number of Households in KwaZimba Phase 2- Ward 29, to be electrified and ready for commissioning by Eskom by 30 June 2025	71	0
Date of Electrical Refurbishment at Jantha, Eric Troutman and Two (2) Newcastle Road Substations in Wards 20/21 and 22 by 30 June 2025	30 June 2025	One transformer in Eric Troutman Ward 21 was refurbished by 30 June 2025.
Date of Ladysmith Animal Pound Farm in Ward 11- Phase 2 to be constructed by 30 June 2025	30 June 2025	Not achieved

<i>Targets achieved: 77%</i> <i>Budget spent: 98%</i>		
Key indicator not achieved	Planned target	Reported achievement
Date of Pedestrian Bridge- Phase 2 to be constructed at Dalinkosi in Ward 30 by 30 June 2025	30 June 2025	Not achieved.
Number (in kilometres) of resurfacing of Chisty place in ward 13 by 30 June 2025	Commencement with SCM Processes for the appointment of a suitable service provider/ contractor for resurfacing of Chisty place 2,1km in ward 13 by 30 June 2025	The service provider was not appointed by 30 June 2025.
Date of reconstruction of Burford cemetery low water crossing in ward 14 by 30 June 2025	Commencement with SCM Processes for the appointment of a suitable service provider/ contractor for reconstruction of Burford cemetery low water crossing in ward 14 by 30 June 2025	The service provider was not appointed by 30 June 2025.
Number of Title deeds generated and distributed in respect of the Enhanced Extended Discount benefit Scheme (EEDBS) and housing projects by 30 June 2025	20	0
Number of houses repaired/ reconstructed and newly constructed within Human Settlements projects by 30 June 2025	40	37

Material misstatements

28. 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 and infrastructure development. Management did not correct all of the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

29. 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.

30. 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.

31. 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.

32. The material finding on compliance with the selected legislative requirements, presented per compliance theme, is as follows:

Annual financial statements

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

Other information in the annual report

34. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected key performance area presented in the annual performance report that has been specifically reported on in this auditor's report.
35. My opinion on the financial statements, and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
36. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected key performance area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
37. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

38. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
39. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material finding on compliance with legislation included in this report.

40. Management did not adequately review the financial statements to ensure compliance with GRAP and the requirements of the MFMA.
41. Management did not adequately review the service delivery budget implementation plan to ensure that the indicators and targets contained therein are compliant with the framework for managing programme performance information.

Auditor General

Pietermaritzburg

30 November 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	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)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)

Legislation	Sections or regulations
Annual Division of Revenue Act 24 of 2024	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(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), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



Alfred Duma Local Municipality
(Demarcation code KZN238)
Annual Financial Statements
for the year ended 30 June 2025

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Table of Contents

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

	Page
General Information	2
Accounting Officer's Responsibilities and Approval	3
Abbreviations	4
Comparison of Statement of Budget and Actual Amounts	5 - 7
Statement of Financial Position	8
Statement of Financial Performance	9
Cash Flow Statement	10
Statement of Changes in Net Assets	11
Accounting Policies	12 - 41
Notes to the Annual Financial Statements	42 - 130

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

General Information

Legal form of entity

Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996)

Nature of business and principal activities

The primary function of Alfred Duma Local Municipality is to provide basic services i.e. electricity, refuse, roads and stormwater facilities within the municipality's jurisdiction. The mandate of the Municipality is in terms of section 152 of the Constitution of South Africa.

Mayor and Chairperson of Mayoral Committee

Portfolio

Mayor and Chairperson of EXCO and Strategic Planning, Governance and Finance Portfolio Committee

Deputy Mayor

Speaker

Chief Whip

Executive Committee

Councillor

Cllr. ZJ Sibisi

Cllr. S Simelane

Cllr. BP Sithole

Cllr. S Sithole

Cllr. TP Dlamini

Cllr. T Hadebe

Cllr. ZI Madondo

Cllr. ASD Warasally

Cllr. SE Madondo

Cllr. MB Mbhele

Cllr. TP Njoko

Cllr. A Mchunu

Cllr. MR Suddaby

Cllr. SA Buys

Section 79 committee chairperson

Grading of local authority

4

Accounting Officer

SS Ngiba

Acting Chief Financial Officer (ACFO)

RA Jhetam

Registered head office

Lister Clarence Building
221 Murchison Street
Ladysmith
3370

Postal address

PO Box 29
Ladysmith
Kwazulu-Natal
3370

Bankers

ABSA Bank, Standard Bank, Nedbank, Investec Bank and First National Bank

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Officer's Responsibilities and Approval

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

The Annual Financial Statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant interpretations, guidelines and directives issued by the Accounting Standards Board.

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The Accounting Officer also certifies that the salaries, allowances and benefits of councillors as disclosed in note 35 to these Annual Financial Statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

The Annual Financial Statements set out on page 4 onwards, in terms of Section 126(1) of the Municipal Finance Management Act (Act 56 of 2003), which have been prepared on the going concern basis and which I have signed on behalf of the municipality on 30 November 2025.

Accounting Officer
SS Ngiba

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Abbreviations

LGSETA	Local Government Sector Education and Training Authority
DBSA	Development Bank of South Africa
DORA	Division of Revenue Act
DSACR	Department of Sports, Arts, Culture and Recreation
GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
mSCOA	Municipal Standard Chart of Accounts
MDRG	Municipal Disaster Recovery Grant
MDRG	Municipal Disaster Response Grant

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Comparison of Statement of Budget and Actual Amounts for the year ended 30 June 2025

Figures in Rand	Original budget	*Budget adjustments	Final adjustments budget	***Virement	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Financial performance									
Property rates	325 892 000	(3 498 000)	322 394 000		322 394 000	324 591 088	2 197 088	100.68 %	99.60 %
Services charges	638 155 000	(19 239 000)	618 916 000		618 916 000	582 976 560	(35 939 440)	94.19 %	91.35 %
Investment revenue	39 991 000	6 998 000	46 989 000		46 989 000	45 037 333	(1 951 667)	95.85 %	112.62 %
Transfer and subsidies recognised - Operational	348 067 000	8 631 000	356 698 000		356 698 000	356 358 411	(339 589)	99.90 %	102.38 %
Other own revenue	116 736 000	6 894 000	123 630 000		123 630 000	140 148 343	16 518 343	113.36 %	120.06 %
Total Revenue (excl. capital transfers and contributions)	1 468 841 000	(214 000)	1 468 627 000		1 468 627 000	1 449 111 735	(19 515 265)	100.80 %	105.20 %
Employee costs	(445 223 000)	(11 332 000)	(456 555 000)	-	(456 555 000)	(433 228 085)	23 326 915	94.89 %	97.31 %
Remuneration of councillors	(34 564 000)	2 862 000	(31 702 000)	-	(31 702 000)	(30 012 600)	1 689 400	94.67 %	86.83 %
Depreciation and asset impairment	(198 856 000)	137 315 000	(61 541 000)	-	(61 541 000)	(152 339 720)	(90 798 720)	247.54 %	76.61 %
Finance charges	(13 255 000)	(6 666 000)	(19 921 000)	-	(19 921 000)	(19 325 037)	595 963	97.01 %	145.79 %
Inventory consumed and bulk purchases	(527 050 000)	11 648 000	(515 402 000)	(1 016 000)	(516 418 000)	(495 340 907)	21 077 093	95.92 %	93.98 %
Transfers and subsidies	(4 339 000)	(550 000)	(4 889 000)	-	(4 889 000)	(4 513 176)	375 824	92.31 %	104.01 %
Other expenditure	(245 554 000)	(133 063 000)	(378 617 000)	1 016 000	(377 601 000)	(307 259 632)	70 341 368	81.37 %	125.13 %
Total Expenditure	(1 468 841 000)	214 000	(1 468 627 000)	-	(1 468 627 000)	(1 442 019 157)	26 607 843	114.82 %	104.24 %
Surplus	-	-	-	-	-	7 092 578	7 092 578	107.81 %	104.72 %
Transfers and subsidies recognised - capital (monetary allocations)	92 378 000	55 134 000	147 512 000		147 512 000	111 378 563	(36 133 437)	75.50 %	120.57 %
Transfers and subsidies - capital (in-kind)	-	-	-		-	243 743	243 743	- %	- %
Surplus for the year	92 378 000	55 134 000	147 512 000	-	147 512 000	118 714 884	(28 797 116)	91.66 %	112.65 %

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

Comparison of Statement of Budget and Actual Amounts for the year ended 30 June 2025

Figures in Rand	Original budget	*Budget adjustments	Final adjustments budget	***Virement	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Capital expenditure and funds sources									
Capital expenditure	136 473 000	56 803 000	193 276 000	-	193 276 000	146 537 564	(46 738 436)	75.82 %	107.37 %
Transfers and subsidies recognised – capital	80 329 000	48 112 000	128 441 000	-	128 441 000	96 809 544	(31 631 456)	75.37 %	120.52 %
Internally generated funds	56 144 000	8 691 000	64 835 000	-	64 835 000	49 728 016	(15 106 984)	76.70 %	88.57 %
	136 473 000	56 803 000	193 276 000	-	193 276 000	146 537 560	(46 738 440)	75.82 %	107.37 %
Financial position									
Total current assets	1 088 921 000	298 145 000	1 387 066 000	-	1 387 066 000	1 756 937 687	369 871 687	126.67 %	161.35 %
Total non-current assets	2 137 332 000	558 764 000	2 696 096 000	-	2 696 096 000	2 211 032 988	(485 063 012)	82.01 %	103.45 %
Total current liabilities	(294 412 000)	47 863 000	(246 549 000)	-	(246 549 000)	(1 034 169 177)	(787 620 177)	419.46 %	351.27 %
Total non-current liabilities	(167 993 000)	(26 942 000)	(194 935 000)	-	(194 935 000)	(185 125 618)	9 809 382	94.97 %	110.20 %
Community wealth/ Equity	(2 763 849 000)	(877 829 000)	(3 641 678 000)	-	(3 641 678 000)	2 748 675 879	6 390 353 879	(75.48)%	(99.45)%
Cash flow									
Net cash from/(used) operating activities	186 176 000	36 036 000	222 212 000	-	222 212 000	198 672 818	(23 539 182)	89.41 %	106.71 %
Net cash from/(used) investing activities	(150 212 000)	(62 283 000)	(212 495 000)	-	(212 495 000)	(140 931 783)	71 563 217	66.32 %	93.82 %
Net cash from/(used) financing activities	-	-	-	-	-	(1 050 620)	(1 050 620)	- %	- %
Cash/cash equivalents at the year end:	422 799 000	216 432 000	639 231 000	-	639 231 000	617 603 675	(21 627 325)	96.62 %	146.08 %

Comparison of Statement of Budget and Actual Amounts for the year ended 30 June 2025

Figures in Rand	Original budget	*Budget adjustments	Final adjustments budget	***Virement	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
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Financial Performance: Explanation of Variances between Approved Budget and Actual

Reasons for variances greater than 10% between approved Budget and Actual amount on the various items disclosed in the Statement of Financial Performance are explained below:

Other Revenue: Variance mainly due to fair value gains on investment property being higher than estimated.

Other expenditure: Actuals less than budget estimated mainly due to bad debt write offs being lower than estimated, operational costs and loss on disposal of assets being lower than estimated.

Total Capital Expenditure: Actual expenditure was lower than budget mainly due to the MDRG grant that was not fully spent at year end. According to the business plan, the municipality has up to 31 March 2026 to fully spend the MDRG.

Debt Impairment: The Municipality did not budget for the impairment of Government Debt as it is deemed to be low risk.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	4	617 603 674	560 913 260
Trade and other receivables from exchange transactions	5	157 173 525	124 559 556
Receivables from non-exchange transactions	6	255 729 695	242 304 115
Inventory	7	84 732 809	83 170 205
Total Current Assets		1 115 239 703	1 010 947 136
Non-Current Assets			
Investment property	8	444 172 966	421 137 121
Property, plant and equipment	9	1 750 595 970	1 680 981 819
Heritage assets	10	15 367 526	15 956 526
Intangible assets	11	896 536	869 609
Eskom Deposits	12	3 885 690	3 299 830
Total Non-Current Assets		2 214 918 688	2 122 244 905
Total Assets		3 330 158 391	3 133 192 041
Liabilities			
Current Liabilities			
Financial liabilities	13	751 326	914 667
Consumer deposits	14	24 696 929	21 752 156
Trade and other payables from exchange transactions	15	246 852 547	210 126 782
Trade and other payables from non-exchange transactions - Transfers and Subsidies Unspent	16	77 215 503	51 310 605
Provisions	17	46 202 571	38 025 510
Defined benefit obligations	18	3 718 000	3 747 000
Total Current Liabilities		399 436 876	325 876 720
Non-Current Liabilities			
Financial liabilities	13	847 164	1 598 491
Provisions	17	118 688 469	107 730 249
Defined benefit obligations	18	62 510 000	57 160 999
Total Non-Current Liabilities		182 045 633	166 489 739
Total Liabilities		581 482 509	492 366 459
Net Assets		2 748 675 882	2 640 825 582
Community Wealth / Equity			
Housing development fund	20	40 752 093	53 022 365
Accumulated surplus	19	2 707 923 765	2 587 803 231
Total Community Wealth / Equity		2 748 675 858	2 640 825 596

* See Note 55 & 56

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Exchange Revenue			
Services charges – Electricity	21	547 744 871	512 063 916
Services charges – Waste management	21	35 231 689	33 171 074
Sales of goods and rendering of services	22	1 648 486	1 835 579
Agency services	23	3 612 152	3 594 996
Interest earned from receivables	24	16 323 536	11 832 358
Interest on investments and bank accounts	25	45 037 333	42 546 899
Licence and permits	33	4 026 004	3 727 566
Rental from fixed assets	26	3 308 707	3 197 454
Operational revenue	27	6 922 495	5 223 076
Fair Value Adjustments	28	23 035 844	20 967 421
Construction contract revenue	29	9 565 217	1 080 996
Total Exchange Revenue		696 456 334	639 241 335
Non-Exchange Revenue			
Availability charges – Electricity	30	3 138 891	2 839 285
Property rates by usage	31	324 591 088	297 680 270
Fines, penalties and forfeits	32	16 003 166	9 843 830
Transfers and subsidies recognised – Operational	34	356 619 014	345 027 676
Transfers and subsidies recognised – Capital	34	111 622 306	90 585 619
Interest earned from receivables	24	51 990 066	44 600 263
Total Non-Exchange Revenue		863 964 531	790 576 943
Total Revenue		1 560 420 865	1 429 818 278
Expenditure			
Employee related cost	35	433 228 085	387 582 973
Remuneration of councillors	36	30 012 600	30 785 175
Bulk purchases	37	458 210 807	418 958 457
Inventory consumed	38	37 130 100	31 621 138
Debt impairment (reversal)	39	76 818 188	159 416 963
Depreciation and Amortisation	40	77 238 423	83 728 479
Impairment losses / (reversal) of impairment on cash and non- cash generating assets	41	(1 716 891)	(23 703)
Finance Cost	42	19 325 037	17 470 852
Contracted services	44	80 922 044	95 609 769
Transfers and subsidies	45	4 513 176	4 514 869
Irrecoverable debts written off	46	100 240 153	19 591 132
Lease rentals on operating leases	43	1 444 369	1 474 720
Operational cost	47	113 185 525	109 448 116
Loss on disposal of fixed and intangible assets	48	1 552 351	5 196 137
Loss on remeasurement of employee benefits	49	36 807	864 301
Construction contract expenditure	29	9 565 217	1 080 996
Total Expenditure		1 441 705 991	1 367 320 374
Surplus for the year		118 714 874	62 497 904

* See Note 55 & 56

Alfred Duma 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			
Property rates and traffic fines		245 166 465	230 699 235
Sale of goods and rendering of services		566 457 555	538 062 342
Grants		497 391 895	434 251 897
Interest received for operating activities - Bank and Investments		53 386 427	51 510 420
Payments			
Employee costs		(467 174 407)	(421 405 111)
Suppliers		(696 555 117)	(665 566 549)
Net cash from(used) operating activities	50	198 672 818	167 552 234
Cash flows from investing activities			
Receipts			
Purchase of property, plant and equipment		(141 304 195)	(133 979 454)
Proceeds from sale of property, plant and equipment		1 394 050	782 791
Purchase of other intangible assets		(435 778)	(236 035)
Net movement in Eskom Deposits		(585 860)	(296 400)
Net cash flows from investing activities		(140 931 783)	(133 729 098)
Cash flows from financing activities			
Receipts			
Movement in long term loans		(896 804)	(846 113)
Finance lease payments		-	(801 919)
Interest paid related to financing activities		(153 816)	(226 328)
Net cash flows from financing activities		(1 050 620)	(1 874 360)
Net increase/(decrease) in cash		56 690 415	31 948 776
Cash and cash equivalents at beginning of the year		560 913 260	528 964 484
		617 603 675	560 913 260

* See Note 55 & 56

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

	Housing development fund	Accumulated surplus	Total net assets
Figures in Rand			
Opening balance as previously reported	47 445 538	2 858 203 687	2 905 649 225
Correction of errors	-	(334 203 296)	(334 203 296)
Balance at 01 July 2023 as restated*	47 445 538	2 524 000 391	2 571 445 929
Surplus for the year	-	62 497 904	62 497 904
Proceeds	7 429 761	-	7 429 761
Contributions and interest recognised to Self insurance fund	-	1 304 936	1 304 936
Utilisation on the Housing Development Fund	(1 852 934)	-	(1 852 934)
Balance at 30 June 2024	53 022 365	2 587 803 231	2 640 825 596
Restated* Balance at 01 July 2024	53 022 365	2 587 803 237	2 640 825 602
Surplus for the year	-	118 714 874	118 714 874
Interest recognised on theHousing Development Fund	6 777 775	-	6 777 775
Transfers to/from Reserves	-	1 405 654	1 405 654
Utilisation	(19 048 046)	-	(19 048 046)
Balance at 30 June 2025	40 752 094	2 707 923 765	2 748 675 859
Note(s)	20	19	

* See Note 55 & 56

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

These Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The Annual Financial Statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

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

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

These accounting policies are consistent with the previous period.

1. Summary of significant accounting policies

The following GRAP standards have been approved and effective to the municipality for the 2024/25 financial year:

GRAP Framework	Framework for the Preparation and Presentation of Financial Statements
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 5	Borrowing Costs
GRAP 9	Revenue from Exchange Transactions
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 20	Related Party Disclosures (Revised)
GRAP 21	Impairment of Non-cash-generating Assets
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 26	Impairment of Cash-generating Assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 34	Separate Financial Statements
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
GRAP 110	Living and Non-living Resources
IGRAP 1	Applying The Probability Test On Initial Recognition Of Revenue
IGRAP 2	Changes in Existing Decommissioning Restoration and Similar Liabilities
IGRAP 3	Determining Whether an Arrangement Contains a Lease
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
IGRAP 6	Loyalty Programmes
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 12	Jointly Controlled Entities – Non-Monetary Contributions
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

Additional content (continued)

IGRAP 15	Revenue – Barter Transactions Involving Advertising Services
IGRAP 16	Intangible Assets – Website Costs
IGRAP 17	Service Concession Arrangements where Grantor Controls Significant Residual Interest
IGRAP 18	Recognition and Derecognition of Land
IGRAP 19	Liabilities to Pay Levies
IGRAP 20	Accounting for Adjustments to Revenue
IGRAP 21	The Effect of Past Decisions on Materiality
Guideline	Accounting for Arrangements Undertaken i.t.o the National Housing Programme
Guideline	Accounting for Landfill Sites
Guideline	The Application of Materiality to Financial Statements

1.1 Presentation currency

These Annual Financial Statements are presented in South African Rands, which is the functional currency of the municipality.

1.2 Going concern assumption

These Annual Financial Statements were prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Offsetting

Financial assets and liabilities are offset and the net amount reported on the Statement of Financial Position only when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.4 Comparative of actual information to budgeted information

The annual budget figures have been prepared in accordance with the Municipal Budget and Reporting Regulations, 2009. A comparative of actual to budgeted amounts are reported in a separate additional financial statement, called the Statement of Comparison of Budget and Actual. Explanatory comment is provided in the notes to the statement giving motivations for over- or under spending on line items where it is found to be material. The budgeted figures are those approved by the Council at the beginning and during the financial year following a period of consultation with the public as part of the Integrated Development Plan. The budget is prepared and approved on an accrual basis by nature classification. The approved budget covers the period from 01 July 2024 to June 30, 2025.

In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the Annual Financial Statements in determining whether a difference between the budgeted and actual amount is material.

1.5 Current year comparatives

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current financial 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 financial year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current financial year is consistent with prior periods.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.6 Significant judgements and estimates

In the application of the municipality's accounting policies, which are described below, management is required to make judgement, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experiences and other factors that are considered reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.6.1 Judgements

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements:

Materiality

Materiality is judged by reference to the size and nature of the item. The deciding factor is whether the omission or misstatement could, individually or collectively, influence the decisions that users make on the basis of these Annual Financial Statements.

In preparation of the Annual Financial Statements materiality has been considered in:

- Deciding what to report in the Annual Financial Statements and how to present it.
- Assessing the effect of omissions, misstatements and errors on the Annual Financial Statements.

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

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

Lease classification – municipality as lessor

The municipality has entered into commercial property leases on its investment property portfolio. The municipality has determined that it retains all the significant risks and rewards of ownership of these properties, and so accounts for them as operating leases.

Lease classification – municipality as lessee

The municipality has entered into a number of leases for office equipment. In determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the municipality.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

Classification of property as held for strategic purposes

The municipality classifies vacant land that is earmarked for future development in terms of the municipality's Spatial Development Framework, as property, plant and equipment, rather than investment property.

Criteria for the classification of properties as investment property rather than property, plant and equipment, when classification is difficult

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.6 Significant judgements and estimates (continued)

All properties held to earn market-related rentals or for capital appreciation or both and that are not for administrative purposes and that will not be sold in the ordinary course of operations are classified as investment property.

Land held for currently undetermined future use

Leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are recorded as property, plant and equipment. The rental revenue generated is incidental to the purposes for which the property is held.

Componentisation of infrastructure assets

All infrastructure assets, where the acquisition cost could not be obtained, with significant components relating to different useful lives are unbundled into their components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market replacement cost of each component, depreciated for age and condition and recalculated to deemed cost at the acquisition date if known or to the date of initially adopting the Standards of GRAP. All infrastructure assets acquired after the adoption of GRAP with significant components relating to different useful lives are unbundled into their components based on the actual expenditure incurred where available.

1.6.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Post-employment benefits

The cost of defined benefit medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Classification of financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. The Accounting Policy on Financial Instruments describes the factors and criteria considered by the management of the municipality in the classification of financial assets and liabilities.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP 104: Financial Instruments.

Impairment of financial assets

The Accounting Policy on Financial Instruments describes the process followed to determine the value by which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considers the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that the impairment of financial assets recorded during the year is appropriate.

The calculation in respect of the impairment of service debtors (receivables from exchange and non-exchange transactions) is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their history. This was performed per service-identifiable categories across all classes of debtors.

The calculation in respect of the impairment of fine receivables (receivables from non-exchange transactions) is based on an assessment of the past payment history of fines per category.

Review of useful lives of property, plant and equipment and intangible assets

Accounting Policies

1.6 Significant judgements and estimates (continued)

The useful lives of assets are based on management's estimation. Management considers whether there is any indication that expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. These include changes in the composition, condition and nature of the asset, its susceptibility and adaptability to changes in technology and processes, the nature of the processes and environment in which the asset is deployed availability of funding to replace the asset and changes in the market in relation to the asset, as well as planned repairs and maintenance including refurbishments.

Valuation of land and buildings and fair value estimations of investment property

Land and buildings were valued and the fair value of investment property determined, by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Impairment of property, plant and equipment, intangible assets, heritage assets and inventory

The Accounting Policies on impairment of cash and non-cash generating assets as well as inventory describes the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to the impairment of property, plant and equipment, intangible assets and heritage assets and the write down of Inventories to the lowest of Cost and Net Realisable Values (NRV).

In making the above-mentioned estimates and judgement, management considers the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21: Impairment of Cash generating Assets and GRAP 26: Impairment of non-cash generating assets.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions, and when measuring contingent liabilities. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Assumptions were used in determining the provision for rehabilitation of landfill sites. Provision is made for the estimated cost to be incurred on the long-term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the landfill. The provision is based on the advice and judgment of qualified engineers. The estimates are discounted at a pre-tax discount rate that reflect current market assessments of the time value of money. The increase in the rehabilitation provision due to passage of time is recognised as finance cost in the Statement of Financial Performance.

Revenue recognition

The Accounting Policies on Revenue from Exchange Transactions and Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality. In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-exchange Transactions.

In particular, in regard to revenue from exchange revenue - when goods are sold, whether the management had transferred to the buyer the significant risks and rewards of ownership of the goods; and, when services is rendered, whether the service has been rendered.

Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. In regard to revenue from non-exchange transactions - significant estimations were made to the initial recognition and measurement of revenue on fines, on the estimated reductions on initial recognition and measurement. Based on past experience, of the amount of revenue the municipality is entitled to collect was calculated as a percentage of the value of the outstanding fines, to determine the value of the fines issued that were impaired. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Budget information

Management assumes deviations between budget and actual amounts to be material when a deviation of more than 10% exists. All material differences are explained in the notes to the Annual Financial Statements.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.7 Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortised cost. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are carried at amortised cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts.

1.8 Inventory

Inventory consist of raw materials, work in progress, consumables and finished goods, which are valued at the lower of cost, and net realisable value. Where it is held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value.

Cost of inventory comprises all costs of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Redundant and slow moving inventory are identified and written down to their estimated net realisable values estimated by management. Inventories are written down according to their age, condition and utility. Differences arising on the measurement of such inventory at the lower of cost and net realisable value are recognised In the Statement of Financial Performance in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.9 Investment property

Investment property includes property held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Investment property also includes land held for an undetermined future use.

Initial recognition

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Where the classification of an investment property is based on management's judgement, the following criteria have been applied to distinguish investment properties from owner-occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as investment properties;
- Land held for a currently undetermined future use;
- A building owned (or held by under a finance lease) and leased out under one or more operating leases;
- Leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held;
- A building that is vacant but is held to be leased out under one or more operating leases;
- Property that is being constructed or developed for future use as investment property.

Accounting Policies

1.9 Investment property (continued)

Subsequent measurement – fair value model

Investment property is subsequently measured using the fair value model. Investment property is carried at fair value, representing open market value determined by a professional valuer on reporting date. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. A gain or loss arising from a change in the fair value of investment property is included in 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 measurable but expects the fair value to be reliably measurable when construction is completed, it measures that investment property at cost until the fair value can be reliably determined or construction has been completed.

Where the municipality has determined that the fair value of an investment property (other than investment property under construction) is not determinable on a continuing basis, the municipality measures that investment property using the cost model.

The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment or inventory as appropriate:

- Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale;
- Property being constructed or developed on behalf of third parties;
- Owner occupied property, including (among other things) property held for future use as owner occupied property, property held for future development and subsequent use as owner occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner occupied property awaiting disposal;
- Property that is leased to another entity under a finance lease;
- Property held to provide a social service and which also generates cash inflows, e.g. property rented out below market rental to sporting bodies, schools, low income families, etc; and
- Property held for strategic purposes or service delivery.

Derecognition/Disposal

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.10 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 year.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Accounting Policies

1.10 Property, plant and equipment (continued)

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost on its acquisition date. 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 the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset 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.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as 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.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.10 Property, plant and equipment (continued)

Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated using the straight line method, to allocate their cost or revalued amounts less their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets' future economic benefits or service potential are expected to be consumed by the municipality. 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 rates are based on the following estimated useful lives:

Asset class	Useful lives (Years)
Buildings	
• Community	50
• Administrative	50
Infrastructure assets	
• Roads and Paving	10 - 50
• Electricity	10 - 50
• Landfill Sites	15
• Stormwater	100
• Bridges	50 - 100
• Gravel Road	10 - 50
• Street Furniture	6 - 20
• Recreational Facilities	15 - 50
• Specialised Vehicles	5 - 20
Other assets	
• Other Vehicles	5 - 20
• Plant and Machinery	3 - 20
• Furniture and Office Equipment	2 - 20
• Plant and Equipment	3 - 20
• Computer Equipment	3 - 10
• Containers	7 - 10
• Specialised Plant and Equipment	3 - 20
• Other items of Plant and Equipment	3 - 20

The estimated useful life, residual values and depreciation method are assessed at each reporting date on an indicator basis.

Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease. The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready for use.

Derecognition

The carrying amount of an item of property, plant and equipment 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 an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue.

Gains or losses are calculated as the difference between the carrying values of assets.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the Cash flow statement.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or surplus when the compensation becomes receivable.

Accounting Policies

1.10 Property, plant and equipment (continued)

Site rehabilitation and restoration costs

Where the municipality has an obligation to rehabilitate and restore items of property, plant and equipment such obligations are referred to as "rehabilitation provisions". The cost of an item of property, plant and equipment includes the initial estimate of the costs of rehabilitation and restoring the site on which it is located, the obligation for which the municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period.

As the related asset is measured using the cost model: -

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.11 Heritage assets

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations.

The municipality classifies assets as heritage assets where the significance as a heritage asset can be determined. In regards to land and buildings all graded sites are classified heritage assets. Furthermore land with a natural significance is not componentised but seen as a single heritage asset due to all parts contributing together to make up its significance.

Land and buildings that qualify as heritage asset, but of which a significant portion of that land and buildings is held for use in the production or supply of goods or services or for administrative purposes, are recognised as property, plant and equipment, rather than heritage asset.

Initial recognition and measurement

The cost of an item of heritage assets is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Heritage assets are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of heritage assets 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 the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. The cost of an item of heritage assets acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Subsequent measurement

Subsequent expenditure relating to heritage assets is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all heritage assets (excluding heritage assets which are land and buildings) are measured at cost less accumulated impairment losses. Heritage assets are not depreciated.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.11 Heritage assets (continued)

Dererecognition

The carrying amount of an item of heritage assets is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated impairment losses) and the disposal proceeds is included in the Statement of financial performance as a gain or loss on disposal of heritage assets.

1.12 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as 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 municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

Initial recognition and measurement

Intangible assets are initially recognised at cost. The cost of an intangible assets is the purchase price and other costs attributable to bring the intangible assets to the location and condition necessary for it to be capable of operating in the manner intended by the municipality, or where an intangible assets is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Subsequent measurement

Amortisation is calculated on cost, using the straight-line method, over the useful lives of the assets, which is estimated to be between 3 to 10 years upon initial recognition. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised.

1.13 Borrowing costs

Borrowing costs are interest and other expenses incurred by an municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the Statement of financial performance in the period in which they are incurred.

1.14 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets

The municipality classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. A commercial return means that the return charged by the entity is commensurate with the risk associated with holding the asset and the asset is intended to generate positive cash inflows. All other assets are classified as non-cash-generating assets.

Impairment of cash-generating assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the individual asset.

Accounting Policies

1.14 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets (continued)

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The best evidence of fair value less cost to sell is the price in a binding sale agreement in an arm's length transaction, adjusted for the incremental cost that would be directly attributable to the disposal of the asset.

The recoverable amount of an asset or a cash-generating unit is the higher of its 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 estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment of assets carried at revalued amount reduces the revaluation surplus for that asset. The decrease shall be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

Impairment of non-cash-generating assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.14 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets (continued)

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.15 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. Financial instruments are classified into three categories namely, financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost. The municipality determines the classification of its financial instruments at initial recognition.

1.15.1 Classification of financial instruments

Financial assets

A financial asset is any asset that is a cash or contractual right to receive cash. In accordance with GRAP 104 the Financial Assets of the municipality are classified as follows into the three categories allowed by this standard:

Financial asset at amortised cost being a non-derivative financial asset with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Financial assets measured at fair value being financial assets that meet either of the following conditions:

- Derivatives;
- Combined instruments that are designated at fair value;
- Instruments held for trading;
- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
- Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Financial assets measured at cost being investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

The municipality has the following types of financial assets as reflected on the face of the Statement of financial position or in the notes thereto:

Type of financial asset	Classification in terms of GRAP 104
Cash and cash equivalents	Financial assets at amortised cost
Receivables from exchange transactions (excluding statutory receivables)	Financial assets at amortised cost
Eskom deposits	Financial assets at amortised cost

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets at amortised cost.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

The following main categories of financial liabilities and the classification determining how they are measured exist:

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.15 Financial instruments (continued)

- Financial liabilities measured at amortised cost; or
- Financial liabilities measured at fair value.

The municipality has the following types of financial liabilities as reflected on the face of the Statement of financial position or in the notes thereto:

Type of financial liability	Classification in terms of GRAP 104
Financial liabilities (borrowings)	Financial liability at amortised cost
Consumer deposits	Financial liability at amortised cost
Trade and other payables from exchange transactions (excluding statutory payables)	Financial liability at amortised cost

1.15.2 Initial and subsequent measurement

Subsequent measurement – Financial assets

Financial assets consist of cash and cash equivalents, deposits, receivables and investments.

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

A provision for impairment of receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Changes in the carrying amount of the provision is recognised in the Statement of financial performance. When a receivable is considered uncollectible, it is written off against the provision. Any gains or losses arising from the change in investments is measured at fair value are recognised in the Statement of financial performance.

Subsequent measurement – Financial liabilities

Financial liabilities consist of payables, interest bearing loans and bank overdrafts. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Finance costs are expensed in the Statement of financial performance in the period in which they are incurred except where stated otherwise (see accounting policy on borrowing costs).

1.15.3 Impairment of financial assets

Consumer debtors

Consumer debtors are assessed individually thereafter collectively, considering factors such as payment histories and ratios, qualitative factors e.g. correspondence from attorneys, disputes about certain accounts, etc.

Other debtors

Other debtors are reviewed individually considering payment histories and disputes about certain amounts. Provision for impairment is made accordingly.

1.16 Provisions

Provisions are recognised when the municipality has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances, where the provision being measured involves a large population of items; the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Accounting Policies

1.16 Provisions (continued)

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of financial performance as a finance cost as it occurs.

Environmental rehabilitation provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of financial performance.

1.17 Employee benefits

The municipality provides short term benefits, long term benefits and retirement benefits for its employees and councillors.

Short-term employee benefits

Remuneration to employees is recognised in the Statement of financial performance as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service.

Leave pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end and is shown as an accrual in the Statement of financial position.

Bonus provisions

The municipality recognises the expected cost of bonuses as a provision only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made at reporting date.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.17 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

Recognition and measurement

When an employee has rendered service to the municipality during a reporting period, the municipality 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 municipality 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 discounted using the discount rate as specified.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.17 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out by independent qualified actuaries regularly, as may be required for fair presentation.

Actuarial gains or losses recognised immediately in the Statement of financial performance.

Recognition and measurement

The municipality 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.

Accounting for the constructive obligation

The municipality accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits.

Statement of financial position

The municipality recognises the net defined benefit liability (asset) in the statement of financial position. When the municipality has a surplus in a defined benefit plan, it measures the net defined benefit asset at the lower of:

- (a) the surplus in the defined benefit plan; and
- (b) the asset ceiling, determined using the discount rate specified. Any adjustments arising from the limit is recognised in surplus or deficit.

Asset recognition ceiling: When a minimum funding requirement may give rise to a liability

If the municipality has an obligation under a minimum funding requirement to pay contributions to cover an existing shortfall on the minimum funding basis in respect of services already received, the municipality determines whether the contributions payable will be available as a refund or reduction in future contributions after they are paid into the plan. To the extent that the contributions payable will not be available after they are paid into the plan, the municipality recognises a liability when the obligation arises. The liability reduces the defined benefit asset or increases the defined benefit liability so that no gain or loss is expected to result when the contributions are paid.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.17 Employee benefits (continued)

Recognition and measurement: Present value of defined benefit obligations and current service cost

Actuarial valuation method

The municipality 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 municipality 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 municipality 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.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.17 Employee benefits (continued)

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 municipality 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.

Past service cost and gains and losses on settlement

When determining past service cost, or a gain or loss on settlement, the municipality remeasures the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices), reflecting:

- (a) the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and
- (b) the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement

Past service cost

The municipality recognises past service cost as an expense at the earlier of the following dates:

- (a) when the plan amendment or curtailment occurs; and
- (b) when the municipality recognises related restructuring costs or termination benefits.

Gains and losses on settlement

The municipality recognises a gain or loss on the settlement of a defined benefit plan when the settlement occurs.

Recognition and measurement: Plan assets

Fair value of plan assets

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.17 Employee benefits (continued)

The fair value of any plan assets is deducted from the present value of the defined benefit obligation in determining the deficit or surplus.

Reimbursements

When, and only when, it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the entity:

- (a) Recognises its right to reimbursement as a separate asset. The municipality measures the asset at fair value.
- (b) Disaggregate and recognise changes in the fair value of its right to reimbursement in the same way as for changes in the fair value of plan assets. The components of defined benefit cost recognised as below (see section on Components of defined benefit cost), may be recognised net of amounts relating to changes in the carrying amount of the right to reimbursement.

Components of defined benefit cost

The municipality 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 municipality determines current service cost using actuarial assumptions determined at the start of the reporting period. However, if the municipality 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 municipality 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 municipality 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 municipality 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 municipality 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

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.17 Employee benefits (continued)

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Presentation

Offset

The municipality offsets an asset relating to one plan against a liability relating to another plan when, and only when, the municipality:

- (a) has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and
- (b) intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Current/non-current distinction

The municipality offsets an asset relating to one plan against a liability relating to another plan when, and only when, the entity:

- (a) has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and
- (b) intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Components of defined benefit cost

The municipality recognises service cost, net interest on the net defined benefit liability (asset) and remeasurements in surplus or deficit.

Other long-term employee benefits

Recognition and measurement

For other long-term employee benefits, the municipality 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).

Long-service allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of financial performance.

1.18 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.18 Leases (continued)

Municipality as lessee

Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent. Corresponding liabilities are included in the Statement of financial position as Finance Lease Obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on the straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Municipality as lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease.

1.19 Construction contract and receivables

Construction contract and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

A contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The municipality assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.20 Statutory receivables

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

1.20.2 Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (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.

1.20.3 Measurement

The municipality initially measures statutory receivables at their transaction amount.

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

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

Accrued interest

Where the municipality 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 municipality 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).

1.20.4 Impairment

Statutory receivables, other than those measured at fair value, are assessed for indicators of impairment at the end of each reporting period. Statutory receivables are impaired where there is objective evidence of impairment of Statutory receivables (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 108.

Accounting Policies

1.20 Statutory receivables (continued)

A provision for impairment of receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

According to GRAP 108, the assessment for impairment needs to be made for each individual financial asset separately or for groups of statutory receivables with similar credit risks. The following methodology was followed to make a provision for bad debts for the year under review:

1.20.5 Derecognition

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

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

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

1.21 Revenue

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Recognition and measurement

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.21 Revenue (continued)

1.21.1 Revenue from exchange transactions

Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council and are levied monthly.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

Pre-paid electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

Interest earned and rentals received

Interest and rentals are recognised on a time proportion basis that takes into account the effective yield on the investment. Interest may be transferred from the Accumulated surplus/ (deficit) to the Housing development fund or the Insurance reserve.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Property rental and instalments

Finance income from the sale of housing by way of instalment sale agreements or finance leases is recognised on a time proportion basis.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue recognition of unclaimed deposits

Unclaimed deposits older than three (3) years are recognised as revenue.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.21 Revenue (continued)

1.21.2 Revenue from non-exchange transactions

Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Fines

Fines constitute spot fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the municipality is entitled to collect, taking into account withdrawn and discounted fines.

Subsequent to initial recognition and measurement, the municipality assess the collectability of the revenue and recognises a separate impairment loss where appropriate.

Donations and contributions

Donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Transfers and subsidies

Unconditional grants

Equitable share allocations are recognised in revenue at the start of the financial year.

Conditional grants

Conditional grants recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Interest earned on grants received and invested is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest it is recognised as interest earned in the Statement of financial performance.

1.22 Transfers and subsidies – non-exchange expenditure

The municipality transfers money to individuals, organisations and other sectors of government from time to time. These transfers are recognised in the annual financial statements as expenses in the period that the events giving rise to the transfer occurred.

1.23 Related parties and related party transactions

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the councillors, Mayor, EXCO members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.24 Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the annual financial statements.

1.25 Housing development reserve

The Housing development fund was established in terms of the Housing Act (Act No. 107 of 1997).

Sections 15(5) and 16 of the Housing Act, 1997 (Act 107 of 1997), which came into operation on 1 April 1998, requires that the municipality maintain a separate housing operating account. This legislated separate operating account will be known as the Housing Development Fund. The Housing Act also requires in terms of section 14(4)(d)(iii)(aa) read with, inter alia, section 16(2) that the net proceeds of any letting, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be utilised by the municipality for housing development, subject to the approval of the Provincial MEC responsible for housing. Loans from national and provincial government that were used to finance housing selling schemes were extinguished on 1 April 1998 and transferred to the Housing Development Fund.

The following provisions are set for the creation and utilisation of the Housing Development Fund:

- Housing Development Fund must have its own separate bank account or allocated investments and must be backed by cash or related assets.
- Any contributions to or from the fund must be shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on bank accounts backing up this fund must be recorded as part of interest earned in surplus or deficit for the year and can be transferred via the Statement of Changes in Net Assets to the Housing Development Fund.

1.26 Self-insurance reserve

A self-insurance reserve was established and, subject to external insurance where deemed necessary, covers claims that might occur. Premiums are charged to the respective services, taking into account the claims history and replacement value of the insured assets.

Contributions to and from the reserve are transferred via the Statement of Changes in Net Assets to the reserve in line with the amount provided for in the operating budget.

1.27 Principal-agent arrangements

The municipality is party to a principal-agent arrangement as disclosed in the annual financial statements. In terms of the arrangement the municipality is the agent.

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.27 Principal-agent arrangements (continued)

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality 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 municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality 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 municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.28 Housing arrangements

The Accounting Standards Board issued the guideline on Accounting for Arrangements Undertaken in terms of the National Housing Programme.

Where the municipality acts as a project manager in a housing arrangement, it is regarded as an agent in terms of the principles of GRAP 109 - Accounting by Principals and Agents.

Where the municipality is regarded as an agent, costs related to the construction of top structures and the related recovery thereof (revenue) is not be recognised in the Statement of financial performance of the municipality.

1.29 Value Added Tax

The municipality is registered with the South African Revenue Service (SARS) for Value Added Tax on the payments basis, in accordance with Section 15(2)(a) of the Value-Added Tax Act No 89 of 1991.

VAT is an indirect tax based on consumption of goods and services in the economy. Revenue is raised for the government by requiring certain traders or vendors to register and to charge VAT on taxable supplies of goods or services. The essential characteristics of VAT are:

- it is charged at each stage of the production and distribution process;
- the taxable person (vendor) may deduct the tax paid during the preceding stages; and
- the burden of the tax is on the final consumer.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.29 Value Added Tax (continued)

The municipality renders goods and services to consumers, it is responsible to collect taxes from its consumers for the goods and services provided. The municipality (VAT vendor) is a deemed debtor to the national government when collecting and remitting VAT.

The municipality is registered to declare VAT transactions on the cash basis to SARS.

The municipality is liable to account for VAT at the standard rate (15%) in terms of section 7 (1) (a) of the VAT Act in respect of the supply of goods or services, except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or is out of scope for VAT purposes. The municipality accounts for VAT on a monthly basis and VAT is settled between the VAT vendor and SARS, based on the cash collected by the municipality and the cash paid by the municipality. VAT Receivable due/from SARS:

- In accordance with GRAP 108, the VAT Receivable to/from SARS is considered to be a statutory arrangement, as this is based on legislation, being the VAT Act.
- Taking into account that the VAT due/from to the national government by the municipality (VAT vendor) results in a deemed debtor-creditor relationship, it is therefore considered to be a receivable or payable from exchange transaction

VAT Accrual

In accordance with GRAP, the municipality recognises transactions on an accrual basis of accounting. Therefore, the transaction between the municipality and customer includes the provision of goods or services in cash or credit; and the levying and/or collection of VAT by the municipality from the customer.

Similarly, the transaction between the municipality and the supplier includes the supply of goods or services in cash or credit; and the obligation to recognise VAT by the supplier to the municipality from the customer.

The VAT accrual accounts therefore does not represent amounts to be received or paid to SARS, but rather amounts that are associated with transactions that are yet to be settled. As a result, the accrual transactions are considered to be contractual in nature, and therefore do not meet the definition of a statutory arrangement. As there is no transaction to "settle" with a specific counterparty at this point, the municipality considers the offsetting of the amounts as inappropriate, and has separately disclosed these transactions in the notes to the annual financial statements.

Input VAT Accrual represents amounts that are yet to be claimed from SARS, subject to settlement of the outstanding creditors by the municipality. This therefore shall be disclosed as a receivable from exchange transaction in accordance with GRAP 9.

Output VAT Accrual represents amounts that are yet to be paid to SARS, subject to collection from outstanding debtors of the municipality. This shall be accounted for as a trade and other payables in accordance with GRAP 19.

1.30 Unauthorised expenditure

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA), defines Unauthorised expenditure as follows:

- Overspending of the total amount appropriated in the municipality's approved budget;
- Overspending of the total amount appropriated for a vote in the approved budget;
- Expenditure from a vote unrelated to the department or functional area covered by the vote;
- Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- Spending of an allocation referred to in the above paragraphs of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- A grant by the municipality otherwise than in accordance with this Act.

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA) also defines a Vote as:

- One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

The municipality uses the Municipal Standard Chart of Accounts (mSCOA) Functions and Sub-functions, previously the Government Finance Statistics (GFS) functions, as well as departments as the main groupings of segments of the municipality's budget segments within the municipality are grouped per department to facilitate greater accountability and budget implementation by the respective Executive Directors as well as per mSCOA classification to facilitate comparisons on a higher level.

Accounting Policies

1.30 Unauthorised expenditure (continued)

All expenditure relating to unauthorised expenditure is recognised as an expense in the Statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

1.31 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act 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 municipality's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of financial performance and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance.

1.32 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

1.33 Change in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Details of changes in accounting policies, changes in estimates and correction of errors are disclosed in the notes to the annual financial statements where applicable.

1.34 Contingent assets and contingent liabilities

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the municipality.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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2. New standards and interpretations

2.1 Standards, amendments to standards and interpretations issued, but not yet effective

The municipality has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
- GRAP 2023: Improvements to the Standards of GRAP 2023 - GRAP 1 (amended): Presentation of Financial Statements (Going Concern) - GRAP 103 (amended): Heritage Assets - GRAP 105(as revised): Transfer of Functions Between Entities Under Common Control - GRAP 106 (as revised): Transfer of Functions Between Entities Not Under Common Control - GRAP 107 (as revised): Mergers - iGRAP 22: Foreign Currency Transactions and Advance Consideration - GRAP 104 (as revised): Financial Instruments	- No effective date determined - No effective date determined - No effective date determined - No effective date determined - No effective date determined - No effective date determined - July 1, 2025 - July 1, 2025	- Unlikely there will be a material impact - Unlikely there will be a material impact - Unlikely there will be a material impact - Unlikely there will be a material impact - Unlikely there will be a material impact - Unlikely there will be a material impact - Unlikely there will be a material impact - Impact is currently being assessed

3. Key judgements and sources of estimation uncertainty

In the application of the municipality's accounting policies, which are described above, management is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4. Cash and cash equivalents

4.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

Call deposits and investments		
Deposit taking institutions	150 032 568	50 964 726
Cash at bank		
Bank balances	467 533 855	509 870 766
Cash on hand	37 251	77 768
Total cash and cash equivalents	617 603 674	560 913 260

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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4. Cash and cash equivalents (continued)

Call deposits and investments by financial institution

The municipality invests in short term investment accounts. A summary of cash book balances have been indicated below:

Institution		
ABSA Bank Limited	-	50 964 726
Standard Bank Limited	150 032 568	-
Total investments	150 032 568	50 964 726

4.2 Bank account balances

The municipality has the following bank accounts:

ABSA Bank Limited	Consolidated account	467 533 855	509 870 766
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4.3 Difference between cash book and bank statement

2025

	Cash book	Bank statement	Difference
ABSA Bank - Current Account (Primary Account) - 4071756088	28 518 561	32 482 065	(3 963 504)
ABSA Bank - General Call Account - 9207051716	272 348 532	270 542 328	1 806 204
ABSA Bank - Self Insurance Fund Call Account - 9251267674	18 211 727	18 164 073	47 654
ABSA Bank - Housing Grant Call Account - 9207052314	42 745 760	42 509 499	236 261
ABSA Bank - Grants Funds Call Account - 9207054081	54 915 410	54 605 827	309 583
ABSA Bank - Housing Operating Call account - 9274469611	46 928 794	46 662 527	266 267
ABSA Bank - Housing Capacity Fund Call Account - 9285122301	3 865 074	3 850 658	14 416
	467 533 858	468 816 977	(1 283 119)

2024

	Cash book	Bank statement	Difference
ABSA Bank - Current Account (Primary Account) - 4071756088	70 988 307	78 135 717	(7 147 410)
ABSA Bank - General Call Account - 9207051716	272 675 776	272 675 776	-
ABSA Bank - Self Insurance Fund Call Account - 9251267674	16 760 682	16 760 682	-
ABSA Bank - Housing Grant Call Account - 9207052314	42 509 499	42 509 499	-
ABSA Bank - Grants Funds Call Account - 9207054081	50 633 285	50 633 285	-
ABSA Bank - Housing Operating Call account - 9274469611	54 108 656	54 108 656	-
ABSA Bank - Housing Capacity Fund Call Account 9285122301	2 194 565	2 194 565	-
	509 870 770	517 018 180	(7 147 410)

2023

	Cashbook	Bank statement	Difference
ABSA Bank - Current Account (Primary Account) - 4071756088	31 323 199	37 031 109	(5 707 910)
ABSA Bank - General Call Account - 9207051716	188 537 305	189 800 197	(1 262 892)
ABSA Bank - Self Insurance Fund Call Account - 9251267674	15 804 483	15 842 741	(38 258)
ABSA Bank - Housing Grant Call Account - 9207052314	42 733 736	43 009 698	(275 962)
ABSA Bank - Grants Funds Call Account - 9207054081	46 807 151	47 109 103	(301 952)
ABSA Bank - Housing Operating Call account - 9274469611	47 859 889	48 168 340	(308 451)
ABSA Bank - Housing Capacity Fund Call Account 9285122301	1 810 824	1 822 185	(11 361)
	374 876 587	382 783 373	(7 906 786)

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
4. Cash and cash equivalents (continued)		
Bank statement balance at beginning of year	517 018 180	382 783 373
Bank statement balance at end of year	468 816 977	517 018 180
Cash book balance at beginning of year	509 870 770	374 876 587
Bank statement balance at end of year	468 816 977	517 018 180
Net movement / reconciling items	(1 283 119)	(7 147 410)
Cash book balance at end of year	467 533 858	509 870 770

Differences between the bank statement and cash book are as follows:-

- Outstanding transactions as at 30 June 2025, not cleared from the bank is R5 972 029 (2024:R11 747 979).
- Outstanding deposits as at 30 June 2025, not cleared from the bank is R1 861 603 (2024: R4 600 869).
- Accrued interest as at 30 June 2025 is R2 909 071.
- Accrued expense as at 30 June 2025 is R21 891.
- Bank deposits on cash book as at 30 June 2025, not cleared from the bank is R59 873 (2024:R300).

Additionally, accrued interest has been recognised to the cash book for the month of June, which has been paid to the municipality's bank account at the commencement of the following financial year.

Guarantee Held on Primary Account:

The municipality has a guarantee of R120 000 held in favour of The South African Post Office.

5. Trade and other receivables from exchange transactions

Trading service and customer service debtors	5.1	157 173 525	124 559 556
Current assets		157 173 525	124 559 556

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

5. Trade and other receivables from exchange transactions (continued)

5.1 Trading service and customer service debtors

	2025			2024		
	Gross	Impairment	Total	Gross	Impairment	Total
Electricity	118 079 792	(5 510 318)	112 569 474	97 229 808	(12 608 398)	84 621 410
Waste management	115 166 555	(97 997 277)	17 169 278	153 775 552	(142 257 676)	11 517 876
Sundry debtors	26 157 241	(22 827 598)	3 329 643	23 157 864	(15 552 603)	7 605 261
Property rental debtors	2 825 689	(2 460 178)	365 511	4 009 688	(3 731 054)	278 634
Input tax accrual	22 195 986	-	22 195 986	17 762 392	-	17 762 392
VAT control receivable - due from SARS	1 543 633	-	1 543 633	2 773 983	-	2 773 983
Total	285 968 896	(128 795 371)	157 173 525	298 709 287	(174 149 731)	124 559 556

Contractual receivables

	2025			2024		
	Gross	Impairment	Total	Gross	Impairment	Total
Electricity	118 079 792	(5 510 318)	112 569 474	97 229 808	(12 608 398)	84 621 410
Waste management	115 166 555	(97 997 277)	17 169 278	153 775 552	(142 257 676)	11 517 876
Sundry debtors	26 157 241	(22 827 598)	3 329 643	23 157 864	(15 552 603)	7 605 261
Property rental debtors	2 825 689	(2 460 178)	365 511	4 009 688	(3 731 054)	278 634
Input tax accrual	22 195 986	-	22 195 986	17 762 392	-	17 762 392
Total	284 425 263	(128 795 371)	155 629 892	295 935 304	(174 149 731)	121 785 573

Statutory receivables

	2025			2024		
	Gross	Impairment	Total	Gross	Impairment	Total
VAT control receivable - due from SARS	1 543 633	-	1 543 633	2 773 983	-	2 773 983

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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5. Trade and other receivables from exchange transactions (continued)

5.1.1 Ageing of trading service and customer service debtors

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

Notes to the Annual Financial Statements

Figures in Rand

5. Trade and other receivables from exchange transactions (continued)

2025

	Past due				
	Total	30 days	60 days	90 days	120+ days
Ageing by debt type					
Contractual receivables					
Electricity	118 079 792	68 241 202	4 157 832	3 799 801	3 683 917
Waste management	115 166 555	4 692 844	3 145 742	3 090 035	3 065 284
Sundry debtors	26 157 241	2 467 398	153 849	926 624	183 306
Property rental debtors	2 825 689	158 062	76 629	60 739	59 638
Input tax accrual	22 195 986	22 195 986	-	-	-
Total ageing for contractual receivables	284 425 263	97 755 492	7 534 052	7 877 199	6 992 145
Statutory receivables					
VAT control receivable - due from SARS	1 543 633	1 543 633	-	-	-

2024

Ageing by debt type

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

Notes to the Annual Financial Statements

Figures in Rand

5. Trade and other receivables from exchange transactions (continued)

Contractual receivables

Electricity	97 229 808	48 484 616	7 604 271	4 041 762	2 760 037	34 339 122
Sundry debtors	23 157 864	2 604 478	61 816	1 053 133	21 807	19 416 630
Property rental debtors	4 009 688	59 329	52 777	41 151	40 179	3 816 252
Waste management	153 775 552	3 208 611	3 208 790	2 958 449	2 898 969	141 500 733
Input tax accrual	17 762 392	17 762 392	-	-	-	-

Total ageing for contractual receivables

	295 935 304	72 119 426	10 927 654	8 094 495	5 720 992	199 072 737
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Statutory receivables

VAT control receivable - due from SARS	2 773 983	2 773 983	-	-	-	-
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5.1.2 Trading service and customer service debtors past due not impaired

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

Notes to the Annual Financial Statements

Figures in Rand

5. Trade and other receivables from exchange transactions (continued)

2025

	Past due				
	Total	30 days	60 days	90 days	120 days
					120+ days
Contractual receivables					
Electricity	45 872 272	-	-	-	2 557 869
Waste management	(461 161)	-	-	-	120 486
Sundry Debtors	(4 195 279)	-	-	-	3 336
Housing Rental	14 210	-	-	-	-
Total	41 230 042	-	-	-	2 681 691
					38 548 351

Notes to the Annual Financial Statements

Figures in Rand

5. Trade and other receivables from exchange transactions (continued)

2024

	Past due				
	Total	30 days	60 days	90 days	120+ days
Contractual receivables					
Electricity	21 907 021	-	-	-	20 241 419
Waste management	(7 239 281)	-	-	-	(7 124 087)
Housing Rental	82 984	-	-	-	82 984
Sundry Debtors	997 358	-	-	-	996 007
Total	15 748 082	-	-	-	14 196 323

5.1.3 Basis used to access and test whether a receivable is impaired

Management considered receivables individually that may be impaired as well as groups of similar receivables that may be impaired.

The total debts were further separated into groups of similar receivables with similar risk profiles and assessed for impairment.

The impairment calculations are based on the individual assessment criteria as well as group collection rate in accordance with the Customer Care, Credit Control and Debt Collection Policy.

The group impairment percentage is determined taking into account the average collection rate based on a three year trend by class of financial asset.

5.1.4 Credit quality of trading service and customer service debtors

The municipality deems outstanding debt less than 90 days to be receivables that are not considered for impairment, on the following basis:

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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5. Trade and other receivables from exchange transactions (continued)

1. The municipality has a stringent Customer Care, Credit Control and Debt Collection Policy which is actively implemented by the municipality.

2. This includes monitoring of debtors accounts, implementation of physical disconnections where necessary, as well as incentive payment programmes.

3. Therefore the municipality views debt outstanding for less than 90 days being a fair reflection of the credit quality.

5.1.5 Statutory receivables included in receivables from exchange transactions are as follows, on a gross basis:

VAT Control (Receivable)	2 773 983	2 806 036
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Statutory Receivables – Value-Added Tax (VAT) Receivable

The municipality recognises receivables due from the South African Revenue Service (SARS) in respect of VAT as statutory receivables in accordance with GRAP 108: Statutory Receivables. These receivables arise directly from legislation, namely the Value-Added Tax Act, 1991 (Act No. 89 of 1991), and are recognised when claims for VAT refunds become due.

Transactions arising from statute

The receivable originates from transactions legislated under the VAT Act, including input tax claims on goods and services acquired by the municipality for municipal purposes. Refunds due are determined based on VAT returns submitted to SARS, reflecting input VAT claimed in excess of output VAT declared.

Determination of transaction amount

The transaction amount is determined from VAT returns prepared on a cash basis, in line with municipal VAT registration status. The receivable balance represents amounts refundable by SARS to the municipality based on the difference between input tax paid and output tax collected in the applicable VAT reporting period.

Interest and other charges levied

No interest or penalties are levied by SARS on VAT receivables. Interest and penalties are only applicable on VAT payable balances and do not arise on refund claims.

Basis used to test for impairment

The municipality assesses the VAT receivable for impairment by considering historical experience with SARS refunds, correspondence from SARS regarding disputes or audits, and the legal enforceability of the claim. An impairment loss is recognised where evidence exists that all or part of the receivable may not be recovered.

Discount rate applied to estimated future cash flows

No discounting of future cash flows has been applied in determining the carrying amount of the receivable, as the timing of settlement is not expected to be materially delayed beyond the normal operating cycle.

VAT Receivable due to/from SARS

VAT Receivable due to/from SARS which are less than 3 months past due are not considered to be impaired. There is no amount that is past due for consideration as at year end.

Renegotiation of debt for financial assets

No financial assets existed for the year under review that would otherwise be past due or impaired where terms have been renegotiated.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand		2025	2024
6. Receivables from non-exchange transactions			
Customer service debtors	6.1	249 402 418	236 932 036
Other receivables	6.2	6 327 277	5 372 079
Total		255 729 695	242 304 115

Statutory receivables are accounted for as follows:

Transactions arises from statute

Traffic fines are issued to offenders in terms of the Administrative of Criminal Procedure Act 51 of 1977 in terms of the National Road Traffic Act 93 of 1996, by the way of notices to offenders which specify the value of the fine that must be paid.

Property rates is charged in terms of the Municipal Property Rates Act.

Availability Charges are statutory in nature arising from municipal tariffs approved by Council in terms of the Municipal Systems Act and the MFMA. These charges are levied regardless of consumption, based on the availability of municipal infrastructure.

Tampered Fines are penalties imposed in terms of municipal bylaws for tampering with or unauthorised use of municipal services. These fines are statutory in nature.

Determination of transaction amount:

Traffic Fines:

Traffic fines are administrated in terms of Criminal Procedure Act no 51 of 1977 for charge codes and descriptions, penalties and their discounts, and demerit points interest or other charges levied/charged.

No interest is charged on outstanding fines and any additional charges are further applied by the court is paid by the offender to the municipality and then paid to the court.

Property rates:

Interest is raised on overdue accounts at 10.25% per annum in accordance with the National Credit Act, in respect of arrears arising after 1 November 2016. Arrear accounts arising before 31 October 2016 is charged interest at a rate of 9% per annum

Availability charges:

The transaction amount for availability charges is determined annually through Council's tariff approval process. The approved tariffs prescribe a fixed charge per property or service point where municipal infrastructure is available, regardless of whether the service is consumed. The amount billed to the consumer represents the approved tariff multiplied by the applicable number of units or service points.

Tampered Fines:

The transaction amount is determined in terms of penalties prescribed in the municipality's by-laws. These penalties are set at a fixed tariff approved by Council to recover costs and deter unauthorised consumption or tampering with municipal infrastructure. The amount recognised as revenue reflects the penalty imposed, together with any related reconnection or administrative fees.

Basis used to access and test whether a statutory receivable is impaired:

Property rates, availability charges and tampered meters:

- The estimates were determined in accordance with the debt impairment policy of the municipality, supplemented by experience of past practices and statistics in relation to uncollectable debt.
- Management considered receivables individually that may be impaired as well as groups of similar receivables that may be impaired.
- The total debts were further separated into groups of similar receivables with similar risk profiles and assessed for impairment.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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6. Receivables from non-exchange transactions (continued)

- The impairment calculations are based on the individual assessment criteria as well as group collection rate in accordance with customer care, credit control and debt collection policy.
- The group impairment percentage is determined taking into account the average collection rate based on a three year trend by class of financial asset.

Traffic fines:

- The municipality accounts for traffic fines impairment in accordance with iGRAP 1.
- Management considered receivables individually that may be impaired as well as groups of similar receivables that may be impaired.
- The municipality assesses the average collection rate in the determination of the group impairment percentage to be considered.

6.1 Customer service debtors

	2025			2024		
	Gross	Impairment	Total	Gross	Impairment	Total
Electricity	17 269 471	(13 990 970)	3 278 501	13 730 133	(10 977 052)	2 753 081
Property rates by usage	814 071 491	(567 947 574)	246 123 917	695 849 636	(461 670 681)	234 178 955
Total	831 340 962	(581 938 544)	249 402 418	709 579 769	(472 647 733)	236 932 036

Statutory receivables

	2025			2024		
	Gross	Impairment	Total	Gross	Impairment	Total
Electricity	17 269 471	(13 990 970)	3 278 501	13 730 133	(10 977 052)	2 753 081
Property rates by usage	814 071 491	(567 947 574)	246 123 917	695 849 636	(461 670 681)	234 178 955
Total	831 340 962	(581 938 544)	249 402 418	709 579 769	(472 647 733)	236 932 036

6.1.1 Ageing of customer service debtors

2025

	Past due					
	Total	30 days	60 days	90 days	120 days	120+ days
Electricity	17 269 471	854 823	318 888	313 658	309 280	15 472 822
Property rates by usage	814 071 491	45 090 200	18 451 310	16 748 876	16 484 702	717 296 403
Total	831 340 962	45 945 023	18 770 198	17 062 534	16 793 982	732 769 225

2024

	Past due					
	Total	30 days	60 days	90 days	120 days	120+ days
Electricity	13 730 133	181 088	401 609	433 290	354 692	12 359 454
Property rates by usage	695 849 636	4 735 262	19 658 830	16 555 110	16 566 907	638 333 527
Total	709 579 769	4 916 350	20 060 439	16 988 400	16 921 599	650 692 981

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

6. Receivables from non-exchange transactions (continued)

6.1.2 Customer service debtors past due not impaired

2025

	Total	30 days	60 days	90 days	120 days	120+ days
Electricity	349 431	-	-	-	52 378	297 053
Property rates by usage	165 835 081	-	-	-	8 055 389	157 779 692
Total	166 184 512	-	-	-	8 107 767	158 076 745

As of 30 June 2025, the above statutory receivables were considered to be past due and not impaired. This was determined by taking into account the debt that is outstanding for a period of more than 90 days which have not been subjected to impairment.

2024

	Total	30 days	60 days	90 days	120 days	120+ days
Electricity	747 092	-	-	-	50 982	696 110
Property rates by usage	223 974 307	-	-	-	8 265 072	215 709 235
Total	224 721 399	-	-	-	8 316 054	216 405 345

As of 30 June 2024, the above statutory receivables were considered to be past due and not impaired. This was determined by taking into account the debt that is outstanding for a period of more than 90 days which have not been subjected to impairment.

6.1.3 Credit quality of customer service debtors

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

6.2 Other receivables

	2025			2024		
	Gross	Impairment	Total	Gross	Impairment	Total
Traffic Fines	18 651 584	(18 489 711)	161 873	20 440 491	(18 580 398)	1 860 093
Tampered Fines	6 908 722	(743 318)	6 165 404	4 323 814	(811 828)	3 511 986
Total	25 560 306	(19 233 029)	6 327 277	24 764 305	(19 392 226)	5 372 079

Statutory receivables

	2025			2024		
	Gross	Impairment	Total	Gross	Impairment	Total
Traffic Fines	18 651 584	(18 489 711)	161 873	20 440 491	(18 580 398)	1 860 093
Tampered Fines	6 908 722	(743 318)	6 165 404	4 323 814	(811 828)	3 511 986
Total	25 560 306	(19 233 029)	6 327 277	24 764 305	(19 392 226)	5 372 079

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

6. Receivables from non-exchange transactions (continued)

6.2.1 Ageing of other receivables

2025

	Past due					
	Total	30 days	60 days	90 days	120 days	120+ days
Traffic Fines	18 651 584	1 519 449	1 087 550	730 200	-	15 314 385
Tampered Fines	6 908 722	553 186	182 217	765 593	470 075	4 937 651
Total	25 560 306	2 072 635	1 269 767	1 495 793	470 075	20 252 036

2024

	Past due					
	Total	30 days	60 days	90 days	120 days	120+ days
Traffic Fines	20 440 491	512 550	541 200	647 900	939 150	17 799 691
Tampered Fines	4 323 814	576 516	269 577	612 708	138 945	2 726 068
Total	24 764 305	1 089 066	810 777	1 260 608	1 078 095	20 525 759

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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6. Receivables from non-exchange transactions (continued)

6.2.2 Other receivables past due not impaired

2025

	Total	30 days	60 days	90 days	120 days	120+ days
Tampered Fines	4 075 472	-	-	-	18 064	4 057 408
Traffic Fines	839 700	-	-	-	-	839 700
Total	4 915 172	-	-	-	18 064	4 897 108

2024

	Total	30 days	60 days	90 days	120 days	120+ days
Tampered Fines	186 388	-	-	-	111 661	74 727
Traffic Fines	395 921	-	-	-	-	395 921
Total	582 309	-	-	-	111 661	470 648

7. Inventory

Consumables	39 856 264	37 451 778
Unsold properties held for resale	43 451 133	44 291 069
Finished goods	1 425 412	1 427 358
Total Inventories	84 732 809	83 170 205

Land derecognised where the municipality transfers control without legal ownership

The municipality has previously derecognised land in prior financial years due to the control no longer resting with the municipality, in accordance with iGRAP 18.

iGRAP 18, Recognition and Derecognition of Land, indicates that a municipality should assess whether it controls land. Control is evidenced by the rights and obligations arising from a binding arrangement. 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 and can be evidenced in several ways:

- (a) a contract concluded between the parties;
- (b) legislation, supporting regulations or similar means including, but not limited to laws, regulation, policies, decisions concluded by authorities such as cabinet, executive committees, boards, municipal councils and ministerial orders (referred to as legislation or similar means for purposes of this Interpretation); or
- (c) through the operation of law, including common law.

A binding arrangement is often, but not always, in writing, in the form of a contract or documented discussions between the parties.

The municipality has previously assessed and derecognised land in the name of the municipality that relates to housing implementation projects, taking into account existence of a binding arrangement and applying the following key judgements made and assumptions applied to conclude that it does not control such land:

- The right to direct access to land, and to restrict or deny the access of others to land
- The use of the land in any other way to generate future economic benefits or service potential
- The ability to direct the use of the land's future economic benefits or service potential to provide services to beneficiaries
- The ability of the municipality to exchange, dispose of, or transfer the land.

The municipality reviews this assessment on an annual basis, and has identified no change in the assessment that requires the re-recognition of this land.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
8. Investment property		
8.1 Reconciliation of carrying value		
Opening carrying value		
Cost	421 137 122	400 169 700
Fair Value Adjustments	23 035 844	20 967 421
Closing carrying value	444 172 966	421 137 121

Investment property in the process of being constructed or developed

There is no investment property in the process of being constructed or developed.

No maintenance has been incurred in the current and prior year.

Investment properties have been valued in accordance with the municipal valuation roll and have been adjusted to take into account current market conditions, and other special assumptions depending on the categories of property. The last effective date of the fair value adjustment was June 2025. The valuations were performed by a Professional Valuer.

The valuation was based on the estimated amount for which an asset should exchange on the date of evaluation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The municipal valuer has extensive experience in the location and category for investment property valued with the necessary qualifications. The fair value adjustment for 2025 was done at year end.

9. Property, plant and equipment

9.1 Reconciliation summary

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	115 862 360	-	115 862 360	115 862 360	-	115 862 360
Transport Assets	104 634 745	(63 701 739)	40 933 006	100 992 014	(61 239 720)	39 752 294
Electrical Infrastructure	466 485 931	(189 089 667)	277 396 264	448 773 051	(181 672 530)	267 100 521
Solid Waste Infrastructure	78 924 239	(44 146 650)	34 777 589	79 256 961	(40 546 689)	38 710 272
Machinery and Equipment	93 760 130	(22 347 230)	71 412 900	72 105 562	(18 487 468)	53 618 094
Furniture and Office Equipment	21 542 981	(15 594 757)	5 948 224	20 946 105	(14 346 984)	6 599 121
Computer Equipment	26 326 094	(15 351 060)	10 975 034	23 407 643	(13 592 589)	9 815 054
Roads Infrastructure	1 976 576 892	(1 351 417 085)	625 159 807	1 919 745 696	(1 317 020 003)	602 725 693
Storm water Infrastructure	263 745 319	(76 687 915)	187 057 404	255 244 126	(73 612 317)	181 631 809
Community Assets	644 977 867	(312 855 297)	332 122 570	619 725 142	(302 052 764)	317 672 378
Other assets						
Operational Buildings	123 184 751	(74 233 940)	48 950 811	120 410 296	(72 916 075)	47 494 221
Total	3 916 021 309	(2 165 425 340)	1 750 595 969	3 776 468 956	(2 095 487 139)	1 680 981 817

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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9. Property, plant and equipment (continued)

Construction work-in-progress

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Transport Assets	-	-	-	3 078 261	-	3 078 261
Electrical Infrastructure	6 095 545	(1 254 000)	4 841 545	11 578 144	(1 254 000)	10 324 144
Solid Waste Infrastructure	-	-	-	424 982	-	424 982
Roads Infrastructure	15 809 890	-	15 809 890	3 528 630	(1 783 461)	1 745 169
Storm water Infrastructure	902 527	-	902 527	6 006 599	-	6 006 599
Community Assets	90 360 496	(4 913 952)	85 446 544	69 343 462	(4 913 952)	64 429 510
Total	113 168 458	(6 167 952)	107 000 506	93 960 078	(7 951 413)	86 008 665

Pledge as security

The municipality have no assets pledged as security

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

9. Property, plant and equipment (continued)

9.2 Reconciliation of carrying value

2025

	Opening balance	Additions	Disposals	Transfers received	Transfers made	Decommissioning and restoration for environmental rehabilitation	Depreciation	Impairment loss/ reversal	Total
Land	115 862 360	-	-	-	-	-	-	-	115 862 360
Transport Assets	39 752 293	4 498 952	(102 264)	3 078 261	(3 078 261)	-	(3 215 975)	-	40 933 006
Electrical Infrastructure	267 100 523	18 590 751	(245 854)	22 771 799	(22 771 799)	-	(8 049 156)	-	277 396 264
Solid Waste Infrastructure	38 710 272	-	(54 673)	424 982	(424 981)	(274 522)	(3 603 489)	-	34 777 589
Machinery and Equipment	53 659 250	22 352 891	(64 173)	-	-	-	(4 528 320)	(6 748)	71 412 900
Furniture and Office Equipment	6 557 961	760 145	(19 081)	-	-	-	(1 312 382)	(38 419)	5 948 224
Computer Equipment	9 815 055	3 260 458	(42 836)	-	-	-	(2 036 955)	(20 688)	10 975 034
Roads Infrastructure	602 725 696	57 065 269	(11 892)	44 750 592	(44 750 592)	-	(36 402 727)	1 783 461	625 159 807
Storm water Infrastructure	181 631 807	8 501 195	-	13 605 265	(13 605 265)	-	(3 075 598)	-	187 057 404
Community Assets	317 672 377	28 297 670	(559 891)	7 280 636	(7 280 636)	-	(13 287 586)	-	332 122 570
Other assets									
Operational Buildings	47 494 221	2 774 455	-	-	-	-	(1 317 865)	-	48 950 811
Total	1 680 981 815	146 101 786	(1 100 664)	91 911 535	(91 911 534)	(274 522)	(76 830 053)	1 717 606	1 750 595 969

Construction work-in-progress

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

9. Property, plant and equipment (continued)

	Opening balance	Capital expenditure	Impairment of assets	Transfers made	Total
Transport Assets	3 078 261	-	-	(3 078 261)	-
Electrical Infrastructure	10 324 145	17 289 199	-	(22 771 799)	4 841 545
Solid Waste Infrastructure	424 981	-	-	(424 981)	-
Roads Infrastructure	1 745 169	57 031 852	1 783 461	(44 750 592)	15 809 890
Storm water Infrastructure	6 006 597	8 501 195	-	(13 605 265)	902 527
Community Assets	64 429 510	28 297 670	-	(7 280 636)	85 446 544
Total	86 008 663	111 119 916	1 783 461	(91 911 534)	107 000 506

2024

	Opening balance	Additions	Disposals	Transfers received	Transfers made	Decommissioning and restoration for environmental rehabilitation	Depreciation	Impairment loss/ reversal	Total
Land	116 038 871	-	(176 511)	-	-	-	-	-	115 862 360
Transport Assets	40 553 344	3 078 261	(466 295)	-	-	-	(3 413 016)	-	39 752 294
Electrical Infrastructure	252 511 278	23 988 450	(1 363 682)	43 351 958	(43 351 958)	-	(8 035 525)	-	267 100 521
Solid Waste Infrastructure	38 948 810	-	-	-	-	3 345 482	(3 584 020)	-	38 710 272
Machinery and Equipment	31 340 100	25 656 591	(76 623)	-	-	-	(3 301 974)	-	53 618 094
Furniture and Office Equipment	6 931 722	991 509	(123 084)	-	-	-	(1 201 026)	-	6 599 121
Computer Equipment	11 497 324	796 024	(341 032)	-	-	-	(2 137 262)	-	9 815 054
Roads Infrastructure	631 808 115	16 203 461	(25 531)	14 622 926	(14 622 926)	-	(45 260 352)	-	602 725 693
Storm water Infrastructure	171 453 347	15 721 101	(2 832 393)	12 393 666	(12 393 666)	-	(2 733 949)	23 703	181 631 809
Community Assets	283 695 867	48 500 584	(62 862)	2 083 312	(2 083 312)	-	(14 461 211)	-	317 672 378
Other assets									
Operational Buildings	48 491 973	148 422	-	448 310	(448 310)	-	(1 146 172)	-	47 494 223
Total	1 633 270 751	135 084 403	(5 468 013)	72 900 172	(72 900 172)	3 345 482	(85 274 507)	23 703	1 680 981 819

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand				
9. Property, plant and equipment (continued)				
Construction work-in-progress				
Transport Assets				
Electrical Infrastructure	-	3 078 261	-	3 078 261
Solid Waste Infrastructure	36 232 743	17 443 359	(43 351 958)	10 324 144
Roads Infrastructure	424 982	-	-	424 982
Storm water Infrastructure	233 969	16 134 126	(14 622 926)	1 745 169
Community Assets	2 679 164	15 721 101	(12 393 666)	6 006 599
	18 012 238	48 500 584	(2 083 312)	64 429 510
Other assets				
Operational Buildings	299 888	148 422	(448 310)	-
Total	57 882 984	101 025 853	(72 900 172)	86 008 665

Notes to the Annual Financial Statements

Figures in Rand

9. Property, plant and equipment (continued)

Capital projects that have been significantly delayed

Construction work in progress has been included in the above mentioned property, plant and equipment, based on the nature of the project being constructed. The following projects have been identified as significantly delayed:

Construction of Ezakheni Sports Complex:

Due to the poor performance of the various appointed contractors, this project has incurred delays. The last appointed contractor went into liquidation and as such there were ongoing court proceedings. The municipality then took a calculated decision to withdraw itself from the liquidation proceedings. Currently, the municipality is looking at alternate avenues to fund the project. This will be done in phases as and when the budget is made available. The carrying amount of the project is R11 786 926.

Emnambithi Indoor Sports Complex:

This is a multi year project. The municipality is implementing this project in phases. The planning and study phase of this project has been completed. To date, phases one (1), two (2) and three (3) of the project have been completed. An expert was appointed to assess the impairment of the asset. There was no impairment detected in the 2024/2025 Financial Year. The carrying amount is R 5 115 727.

Athletics Track:

Due to the poor performance of the appointed contractor, the project had incurred delays. The carrying amount of the project is R554 161. The municipality is looking at alternate funding sources to complete the project.

Construction of Burford Sports field (Ward 14):

The sportfield was vandalised by the community. The municipality will consider funding to complete the project during the next budgetary cycle and is exploring the funding stream to complete the project. The carrying amount after is R297 891.

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

Notes to the Annual Financial Statements

Figures in Rand			
9. Property, plant and equipment (continued)			
Carrying Amount as at 30 June 2025, subsequent to impairment			
Construction of Ezakheni Sport Complex	11 786 926	11 786 926	
Emnambithi Indoor Sport Complex	5 115 727	5 115 727	
Ladysmith airport upgrade	-	233 969	
Waste recycling plant	-	426 866	
Athletics Track	554 161	554 161	
Construction of Burford Sports field (Ward 14)	297 891	297 891	
	17 754 705	18 415 540	

Notes to the Annual Financial Statements

Figures in Rand

9. Property, plant and equipment (continued)

Property, plant and equipment	1 643 595 463	1 594 973 152
Construction work-in-progress	107 000 507	86 008 667
Total	1 750 595 970	1 680 981 819

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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9. Property, plant and equipment (continued)

9.3 Donations

The municipality has received fixed assets in the financial year as donations amounting to R 243 743. This relates to the donation of computer equipment from Department of Sports, Arts and Culture.

Donation

Computer equipment	243 743	-
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9.4 Change in estimate

Useful life of property, plant and equipment

A review of the useful lives and residual values of items of property, plant and equipment has been performed. The change in the estimated useful lives and residual values of various assets of the municipality has resulted in a decrease in depreciation of R - 13 816 554(2024: R1 737 198).

Depreciation	Depreciation before change in estimate	Less: Depreciation after change in estimate	Change in depreciation per annum
Intangible assets	613 782	(406 211)	207 571
Community assets	14 617 296	(13 287 586)	1 329 710
Computer equipment	2 183 006	(2 036 955)	146 051
Furniture and office equipment	1 268 068	(1 313 417)	(45 349)
Machinery and equipment	4 615 645	(3 291 459)	1 324 186
Buildings	1 192 025	(1 317 866)	(125 841)
Infrastructure - Electricity	8 456 411	(8 049 159)	407 252
Infrastructure - Roads	46 668 300	(36 402 742)	10 265 558
Infrastructure - Solid Waste	3 089 579	(3 094 810)	(5 231)
Transport Assets	3 529 077	(3 216 430)	312 647
	86 233 189	(72 416 635)	13 816 554

9.5 Maintenance of property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Employee related costs (amount paid to employees)	7 018 807	9 533 905
Contracted services (amount paid to suppliers)	36 474 900	40 246 504
Inventory consumed (materials utilised)	31 534 904	26 442 636
Operational expenditure (Fuel and oil costs incurred)	839 539	821 159
	75 868 150	77 044 204

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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10. Heritage assets

10.1 Reconciliation of carrying value

2025

	Land and buildings	Art Collections, Antiques and Exhibits	Total
Opening carrying value as at 01 July 2024			
Cost	11 122 600	4 991 426	16 114 026
Accumulated impairment losses	(5 500)	(152 000)	(157 500)
Disposals	(589 000)	-	(589 000)
Closing carrying value as at 30 June 2025	10 528 100	4 839 426	15 367 526
Cost	10 533 600	4 991 426	15 525 026
Accumulated impairment losses	(5 500)	(152 000)	(157 500)
Closing carrying value as at 30 June 2025	10 528 100	4 839 426	15 367 526

2024

	Land and buildings	Art Collections, Antiques and Exhibits	Total
Opening carrying value as at 01 July 2023			
Cost	11 122 600	4 991 426	16 114 026
Accumulated impairment losses	(5 500)	(152 000)	(157 500)
Closing carrying value as at 30 June 2024	11 117 100	4 839 426	15 956 526
Cost	11 122 600	4 991 426	16 114 026
Accumulated impairment losses	(5 500)	(152 000)	(157 500)
Closing carrying value as at 30 June 2024	11 117 100	4 839 426	15 956 526

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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11. Intangible assets

11.1 Reconciliation of carrying value

2025

		Computer software	Other assets	Total
Opening carrying value as at 01 July 2024				
Cost		3 944 402	-	3 944 402
Accumulated depreciation and impairment		(3 074 793)	(715)	(3 075 508)
		869 609	(715)	868 894
Additions from acquisitions		435 778	-	435 778
Amortisation	40	(406 211)	-	(406 211)
		29 567	-	29 567
Carrying value of disposals / transfers				
Cost		(144 592)	-	(144 592)
Accumulated depreciation and impairment		142 667	-	142 667
		(1 925)	-	(1 925)
Closing carrying value as at 30 June 2025		897 251	(715)	896 536

2024

		Computer software	Total
Opening carrying value as at 01 July 2023			
Cost		3 905 249	3 905 249
Accumulated depreciation and impairment		(2 677 668)	(2 677 668)
		1 227 581	1 227 581
Additions from acquisitions		236 035	236 035
Disposal		63 217	63 217
Amortisation	40	(609 886)	(609 886)
		(310 634)	(310 634)
Carrying value of disposals / transfers			
Cost		(260 099)	(260 099)
Accumulated depreciation and impairment		212 761	212 761
		(47 338)	(47 338)
Closing carrying value as at 30 June 2024		869 609	869 609

12. Eskom Deposits

Eskom Deposits	3 885 690	3 299 830
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The deposits relates to street lighting, highmast lights and supply of electricity to the radio transmission tower held with Eskom.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
13. Financial liabilities		
ABSA	445 868	1 066 170
Development bank of South Africa (DBSA)	1 152 622	1 446 988
Sub-total	1 598 490	2 513 158
Less: Transferred to current liabilities	(751 326)	(914 667)
Total non-current liabilities	847 164	1 598 491

ABSA bank loan bears an interest of 9.10% and redeemed monthly with interest bearing ending ending February 2026.

DBSA bank loan bears an interest of 5% and is redeemed bi-annually with the interest ending September 2028.

14. Consumer deposits

Electricity	14 273 856	14 168 634
Posters	-	10 220
Refuse	6 579 945	3 840 236
Rental properties	3 838 146	3 729 386
Street closure	4 982	3 680
Total	24 696 929	21 752 156

Guarantees held in lieu of electricity totals R8 871 366 as at 30 June 2025 (2024: R8 875 566).

15. Trade and other payables from exchange transactions

Bulk purchases	15.1	65 236 619	55 966 942
Retentions	15.2	23 981 443	19 427 597
Control and clearing accounts	15.3	871 367	908 617
Employee benefits	15.4	37 577 749	38 082 681
Other payables	15.5	104 968 623	91 271 894
VAT Payable	15.6	14 216 743	4 469 049
Total		246 852 544	210 126 780

15.1 Bulk purchases

Bulk electricity	65 236 619	55 966 942
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15.2 Retentions

Retentions	23 981 443	19 427 597
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15.3 Control and clearing accounts

Disposal clearing	(16 241)	(15 108)
Salary Control - Employee Related Costs	887 608	922 035
Travel control	-	1 690
Total	871 367	908 617

15.4 Employee benefits

Bonus	7 340 154	7 420 214
Leave accrual	30 237 595	30 662 467
Total	37 577 749	38 082 681

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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15. Trade and other payables from exchange transactions (continued)

15.5 Other payables

Payables and accruals	55 148 421	38 733 670
Unallocated deposits	7 275 843	8 638 467
Accrued interest - borrowings	77 863	45 807
Advance payments	42 466 496	43 853 950
Total	104 968 623	91 271 894

15.6 VAT Payable

Output Tax Accrual	28 121 361	31 414 600
Output Tax Accrual: debt impairment	(13 904 618)	(26 945 551)
Total	14 216 743	4 469 049

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

Notes to the Annual Financial Statements

Figures in Rand

16. Trade and other payables from non-exchange transactions – Transfers and subsidies Unspent

		2025					2024				
		Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance
Capital											
Monetary Allocations	16.1	2 119 284	142 618 225	(110 982 685)	(478 883)	33 275 941	2 416 744	90 541 158	(90 585 618)	(253 000)	2 119 284
Operational											
Monetary Allocations	16.2	49 191 321	30 842 937	(35 562 403)	(532 293)	43 939 562	62 335 343	37 668 482	(50 812 504)	-	49 191 321
Total		51 310 605	173 461 162	(146 545 088)	(1 011 176)	77 215 503	64 752 087	128 209 640	(141 398 122)	(253 000)	51 310 605

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

Notes to the Annual Financial Statements

Figures in Rand

16. Trade and other payables from non-exchange transactions – Transfers and subsidies Unspent (continued)

16.1 Unspent capital monetary allocations

	2025					2024			
	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants
National Government									
Infrastructure Skills Development Grant	-	107 985	(107 985)	-	-	-	121 135	(121 135)	-
Local Government Financial Management Grant	-	44 043	(44 043)	-	-	-	291 725	(291 725)	-
Municipal Disaster Recovery Grant	-	50 740 000	(18 301 158)	-	32 438 842	-	4 760 957	(4 760 957)	-
Municipal Disaster Response Grant	1 318 765	-	(1 318 765)	-	-	-	4 870 765	(3 552 000)	-
Municipal Infrastructure Grant	478 882	78 024 703	(77 704 868)	(478 883)	319 834	447 819	61 872 764	(61 588 701)	(253 000)
Total	1 797 647	128 916 731	(97 476 819)	(478 883)	32 758 676	447 819	71 917 346	(70 314 518)	(253 000)
Provincial Government									
KwaZulu-Natal	321 637	13 701 494	(13 505 866)	-	517 265	1 968 925	18 623 812	(20 271 100)	-
Total unspent capital monetary allocations	2 119 284	142 618 225	(110 982 685)	(478 883)	33 275 941	2 416 744	90 541 158	(90 585 618)	(253 000)

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

16. Trade and other payables from non-exchange transactions – Transfers and subsidies Unspent (continued)

16.2 Unspent operational monetary allocations

	2025					2024		
	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance	Opening balance	Funds received	Transfer to revenue
Departmental Agencies and Accounts								
National departmental agencies: LGSETA	317 166	1 328 136	(1 501 662)	-	143 640	117 839	1 053 010	(853 683)
								317 166
District Municipalities								
KwaZulu-Natal: Job evaluation	265 623	250 000	(260 603)	-	255 020	66 121	327 174	(127 672)
								265 623
National Government								
Expanded Public Works Programme	-	2 471 000	(2 471 000)	-	-	-	2 808 000	(2 808 000)
Integrated Grant	-	3 892 015	(3 892 014)	-	-	-	4 328 865	(4 328 865)
Infrastructure Skills Development Grant	-	1 955 957	(1 955 957)	-	-	-	1 808 275	(1 808 275)
Local Government Financial Management Grant	-	-	-	-	-	13 038 679	-	(13 038 679)
Municipal Disaster Recovery Grant	3 908 700	-	(3 376 403)	(532 293)	-	5 183 249	2 143 278	(3 417 827)
Municipal Disaster Response Grant	-	4 390 297	(4 390 297)	-	-	284 061	1 740 236	(2 024 297)
Municipal Infrastructure Grant	-	2 000 000	(2 000 000)	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-
Total	3 908 700	14 709 269	(18 085 671)	(532 293)	-	18 505 989	12 828 654	(27 425 943)
								3 908 700
Provincial Government								
KwaZulu-Natal	44 699 832	14 555 532	(15 714 467)	-	43 540 897	43 645 394	23 459 644	(22 405 206)
								44 699 832

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

16. Trade and other payables from non-exchange transactions – Transfers and subsidles Unspent (continued)						
Total unspent operational monetary allocations	49 191 321	30 842 937	(35 562 403)	(532 293)	43 939 557	62 335 343
						37 668 482
						(50 812 504)
						49 191 321
17. Provisions						
Environmental rehabilitation						17.1
Dispute with Uthukela District Municipality						17.2
Pension fund						17.3
Employee benefits						17.4
Total						164 891 040
						145 755 759

Split between current and non-current

Current	46 202 571	38 025 510
Non-current	118 688 469	107 730 249
Total	164 891 040	145 755 759

17.1 Environmental rehabilitation

Opening Balance	91 066 947	79 385 941
Additional provisions raised	9 287 508	11 681 006
Closing balance	100 354 455	91 066 947

Split between current and non-current

Non-current	100 354 455	91 066 947
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Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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17. Provisions (continued)

Environmental rehabilitation provision

The provision for rehabilitation of landfill site relates to the legal obligation to rehabilitate the landfill site used for waste disposal.

The municipality has two environmental landfill sites, being Ladysmith Waste Disposal Site and Indaka Waste Disposal Site.

The municipality will incur R86 115 135 to rehabilitate Ladysmith Waste Disposal Site, calculated as at 30 June 2025 (2024: R78 213 916) to restore the site at the end of the respective useful life.

The municipality will incur R14 239 320 to rehabilitate Indaka Waste Disposal Site, calculated as at 30 June 2025 (2024: R12 853 031) to restore the site at the end of the respective useful life.

The valuation as at 30 June 2025 was performed by Abazingeli Civils (PTY)LTD. Abazingeli Civils (PTY)LTD is not affiliated to the municipality.

Key assumptions used:

Discounted rate of 10.5% was used.

Escalation rate applied is 10.5%

Remaining useful lives:

As at 30 June 2025, Ladysmith Waste Disposal Site has a remaining useful life of 12 years.

As at 30 June 2025, Indaka Waste Disposal Site has a remaining useful life of 8 years.

17.2 Dispute with Uthukela District Municipality

Opening Balance	27 214 208	-
Additional provisions raised	8 927 508	27 214 208
Closing balance	36 141 716	27 214 208

A provision has been raised in respect of water accounts under dispute with uThukela District Municipality for the financial years 2022/23, 2023/24 and 2024/25. These amounts represent charges raised by uThukela District Municipality against the Municipality, which are currently in dispute due to inaccuracies. Although the Municipality continues to contest the accuracy and validity of the amounts charged, management has determined that a present obligation exists as at the reporting date, and that it is probable that an outflow of resources embodying economic benefits or service potential may be required to settle the obligation.

17.3 Pension fund

Opening Balance	2 328 317	-
Additional provisions raised	-	2 328 317
Closing balance	2 328 317	2 328 317

Split between current and non-current

Current	2 328 317	2 328 317
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Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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17. Provisions (continued)

Pension Fund

It has been brought to the attention of the municipality that the three (3) councillors need to be re-instated into the fund after previously exiting the fund and outstanding amounts are owed to the Fund. Further engagements were held between the municipality, the councillors and the Municipal Councillors Pension Fund during the 2024/2025 financial year. A provision for the Municipal Councillors Pension Fund has been disclosed in respect of the 2024/2025 financial year, and this matter is still in the process of being finalised.

17.4 Employee benefits

Performance Bonus	17.4.1	1 380 555	2 286 287
Long-service awards	17.4.2	24 685 997	22 860 000
Total		26 066 552	25 146 287

Split between current and non-current

Current	7 732 538	8 482 985
Non-current	18 334 014	16 663 302
Total	26 066 552	25 146 287

17.4.1 Performance Bonus

Opening Balance	2 286 287	2 040 196
Additional provisions raised	622 397	1 089 565
Reductions (Payment)	(1 528 129)	(843 474)
Total	1 380 555	2 286 287

Split between current and non-current

Current	1 380 555	2 286 287
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Performance bonuses

The provision for performance bonuses relates to the constructive obligation on payment of performance bonus for section 57 employees in previous years.

The municipality has been paying a performance bonus from 5-13% of the total remuneration and it was calculated at an average of 11%.

Performance bonuses are paid to the Section 57 employees after an evaluation by the Council.

17.4.2 Long-service awards

Opening Balance	22 860 000	21 786 000
Additional provisions raised	4 905 983	3 938 698
Reductions (Payments)	(3 079 986)	(2 864 698)
Total	24 685 997	22 860 000

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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17. Provisions (continued)

Split between current and non-current

Current	6 351 983	6 196 698
Non-current	18 334 014	16 663 302
Total	24 685 997	22 860 000

Net expense recognised in the statement of financial performance are as follows:

Service cost	2 158 000	1 923 000
Net interest on the net defined benefit liability (Asset)	2 398 000	2 304 000
Remeasurements on employee benefits	349 983	(348 302)
	4 905 983	3 878 698

Calculation of actuarial gains and losses

Actuarial (gains) losses – Obligation	349 983	(348 302)
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Key Assumptions used

Discount rates used	10 %	11 %
Expected rate of return on asset	4 %	5 %
expected rate of return on reimbursement rights	5 %	6 %
Net discount rate	5 %	5 %
Average retirement age	62	
Mortality during employment	SA 85-90	
Termination of service	See Table A3.2	
Active members	792	

Assumption

Assumption	Value	
Average	62	
Mortality during employment	SA 85 - 90	
	Female	Male
	20	9 %
	30	6 %
	40	5 %
	50	3 %
	55	- %
Termination of service (resignation and retrenchment rates per annum)		

The independent valuers carried out a statutory valuation on the Long Services Awards benefits as at 30 June 2025.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

17. Provisions (continued)

Sensitivity analysis on the Defined Benefit Obligation (DBO)	Change	Defined Benefit Obligation	% Change
Central assumptions		24 686 000	
General earnings inflation rate	+ 1 %	26 145 000	6%
	- 1 %	23 357 000	-5%
Discount rate	+1%	23 314 000	-6%
	-1%	26 217 000	6%
Average retirement age	+2 yrs	26 050 000	6%
	- 2 yrs	23 250 000	-6%
Rates of termination service	x 2	21 400 000	-13%
	x0.5	26 859 000	9%

Sensitivity analysis on current service cost and interest	Change	Current service cost	Interest cost	Total	% Change
Central assumptions		2 158 000	2 389 000	4 547 000	- %
General earnings inflation rate	+1%	2 319 000	2 551 000	4 870 000	7 %
	-1%	2 013 000	2 259 000	4 272 000	(6)%
Discount rate	+1%	2 028 000	2 454 000	4 482 000	(2)%
	-1%	2 304 000	2 331 000	4 635 000	2 %
Average retirement age	+2yrs	2 266 000	2 550 000	4 816 000	6 %
	-2yrs	2 038 000	2 233 000	4 271 000	(6)%
Rates of termination of service	x2	1 730 000	2 033 000	3 763 000	(17)%
	x0.5	2 456 000	2 641 000	5 097 000	12 %

18. Defined benefit obligations

18.1 Defined benefit obligations

Post-employment medical benefits liability

Present value of defined benefit obligation	18.1.1	60 907 999	66 228 000
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18.1.1 Reconciliation of present value of the defined benefit obligations

	Post-employment medical benefits	Total
Defined benefit obligation at 01 July 2023		
Opening balance	54 715 999	54 715 999
Interest cost	6 605 000	6 605 000
Current service cost	1 691 000	1 691 000
Remeasurements: Actuarial (Gains) / Losses	1 212 603	1 212 603
Benefits paid	(3 316 603)	(3 316 603)
Defined benefit obligation at 30 June 2024	60 907 999	60 907 999
Opening balance	60 908 000	60 908 000
Interest cost	7 197 000	7 197 000
Current service cost	1 873 000	1 873 000
Remeasurements: Actuarial (Gains) / Losses	(313 176)	(313 176)
Benefits paid	(3 436 824)	(3 436 824)
Defined benefit obligation at 30 June 2025	66 228 000	66 228 000

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
18. Defined benefit obligations (continued)		
Current	3 718 000	3 747 000
Non-current	62 510 000	57 160 999
Total	66 228 000	60 907 999

Defined benefit plan

Post retirement medical aid plan

The municipality offers employees and continuation members the opportunity of belonging to one of several accredited medical schemes. Upon retirement, an employee may continue membership of an accredited medical scheme. Upon a member's death in service, or death in retirement, the surviving dependants may continue membership of the medical scheme.

Eligible employees will receive a post employment subsidy additional of 60% of the contribution payable should they be a member of a medical scheme, subject to the following conditions:

- The total service of at least ten years at retirement.
- Membership of a municipality accredited medical aid scheme for the majority of their total services (i.e. more than half of their services by retirement).
- Continuation members and their eligible dependents receive either a 50%, 60% or 66.7% subsidy.

The most recent actuarial valuations of planned asset and the present value of the unfunded defined benefit obligation were carried out as at 30 June 2025 by an independent valuer

The present value of the defined benefits obligation and the related current cost and past cost, were measured using the Projected Unit Credit Method.

The characteristics of the plan and associated risks

The characteristics of the defined benefits plan is that the eligible employees will receive a post-employment subsidy of 60% of

the contribution payable should they be a member of a medical scheme at retirement, subject to the following conditions:

- Total service of at least ten years at retirement.
- Membership of a Municipality-accredited medical aid scheme for the majority of their total service (i.e. more than half of their services at retirement). Management confirmed that the earliest dates of uninterrupted medical aid membership are used to apply this condition in practice.

Notable benefit plan risks faced by the Municipality can be summarised as follows:

- **Inflation:** The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.
- **Longevity:** The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.
- **Volatility of open-ended, long-term DBO:** The risk that the DBO may be volatile which is exacerbated by its long-term nature.
- **Enforcement of eligibility criteria and rules:** The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.
- **Future changes in legislation:** The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the DBO for the Municipality.

18.1.2 Multi-employer plans

Superannuation funds

The latest statutory valuation of the Superannuation Fund (defined benefit) as at 31 March 2024 concluded that:

- The fund's liabilities for service to the valuation date was 108.9% (2023:107.6%) funded on the discounted cash flow method at the valuation date.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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18. Defined benefit obligations (continued)

- The fund is funded on the "best estimate" funding basis as at the valuation date, and is also fully funded on the financial soundness" basis incorporating the full solvency reserve. At the valuation report, the fund was in a sound financial position.
- There was no deficit in respect of active members, A surcharge of 9.5% of pensionable salaries is payable.

Retirement funds

The latest statutory valuation of the Retirement Fund (defined benefits) as at 31 March 2024 reflected:

- The funding level of the Pensions Memorandum Account was consistent over the valuation period at between 124.5% and 124.7%. This was mainly due to the release of the Solvency Reserve.
- Based on the valuation assumption applied in 2024, the fund was fully funded.

The statutory actuarial valuation carried out on the retirement fund as at 31 March 2024 reflected:

- The fund is 106.4% (2023:106.8%) funded as at the valuation date at the overall level. A recommendation was that, an additional increase is required in respect of pensioners who retired during certain months over the valuation period
- The actual increase due to a pensioner depends on the date of retirement. We recommend that those pensions be increased as required by the Act, backdated to 1 July 2022.
- At the valuation report, the fund was in a sound financial position.

Pension Funds

The statutory valuation of the Provident Fund was performed as at 31 March 2024:

- Assets exceeded the liabilities and reserves at the valuation date. Unallocated assets amounted to 0.6% of the assets after the release from the Risk and Expense Reserve and the Investment Reserve was 7.0% of Member Shares at the valuation date.
- Members can elect a rate of contribution of 5%, 7.5% or 9.25% of pensionable salaries.
- The default rate of contribution is set at 9.25% (the highest rate). This rate apply to each new employee unless he/she actively chooses to contribute at a lower rate.
- The fund is 101.7% (2023:100.6%) funded as at the valuation date.
- At the valuation report, the fund was in a sound financial position.

Notes to the Annual Financial Statements

Figures in Rand

18. Defined benefit obligations (continued)

18.1.3 Net benefit expense

For the year ended 30 June 2024
Current service costs
Net interest on the net defined benefit liability (asset)
Remeasurements of the net defined benefit liability (asset)
Total expense recognised in the statement of financial performance

	Post-employment medical benefits	Total
	1 691 000	1 691 000
	6 605 000	6 605 000
	1 212 603	1 212 603
	9 508 603	9 508 603

For the year ended 30 June 2025
Current service costs
Net interest on the net defined benefit liability (asset).
Remeasurements of the net defined benefit liability (asset)
Total expense recognised in the statement of financial performance

	1 873 000	1 873 000
	7 197 000	7 197 000
	(331 258)	(331 258)
	8 738 742	8 738 742

Calculation of actuarial gains and losses

Actuarial (gains) losses - Obligation	(331 258)	1 212 603
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18.1.4 Key actuarial assumptions

The principal actuarial assumptions used in determining the present value of the defined benefit obligation for the post-employment medical benefits include:

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
18. Defined benefit obligations (continued)		
Discount rate	11.10 %	12.20 %
CPI inflation rate	5.00 %	6.20 %
Medical aid contribution inflation rate	6.80 %	7.70 %
Net discount rate (medical aid contribution)	4.00 %	4.20 %
Maximum subsidy inflation rate	4.50 %	5.40 %
Net discount rate - maximum subsidy inflation	6.30 %	6.40 %
Average retirement age	62	
Mortality during employment	SA 85 90	
Mortality post employment	PA(90) - 1 with a 1% mortality improvement p. a from 2010	
Termination of service	See Table A4.2	
Proportion with a spouse dependant at retirement	60%	
Continuation of membership at retirement	75%	
Proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy at retirement	15%	
20 - 24	9.00 %	9.00 %
25 - 29	8.00 %	8.00 %
30 - 39	6.00 %	6.00 %
40 - 44	5.00 %	5.00 %
45 - 49	5.00 %	5.00 %
50 - 54	4.00 %	4.00 %
55+	0.00 %	0.00 %
Inservice members	332	322
Continuation members	69	71
Inservice non members	451	491

18.1.5 Sensitivity analysis

Sensitivity Analysis on Current Service and Interest Costs

2025

	Change	Current Service Cost	Interest Cost	Total Cost	% Change
Central assumptions		1 873 000	7 197 000	9 070 000	- %
Health care inflation rate	+1%	2 072 000	7 648 000	9 720 000	7 %
	-1%	1 618 000	6 640 000	8 258 000	(9)%
Discount rate	+1%	1 560 000	6 956 000	8 516 000	(6)%
	-1%	2 276 000	7 468 000	9 744 000	7 %
Post-employment mortality	+1 Year	1 833 000	7 000 000	8 833 000	(3)%
	-1 Year	1 912 000	7 391 000	9 303 000	3 %
Average retirement age	-1 Year	2 036 000	7 462 000	9 498 000	5 %
Membership contributions	-10%	1 639 000	6 785 000	8 424 000	(7)%

Sensitivity Analysis on the Defined Benefit Obligation

2025

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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18. Defined benefit obligations (continued)

	Change	Eligible Employees	Continuation members	Total Defined Benefit Obligation	% Change
Central assumptions		29 725 000	36 503 000	66 228 000	- %
Medical aid contributions	+1%	32 366 000	37 728 000	70 094 000	6 %
Inflation rate	-1%	26 387 000	35 020 000	61 407 000	(7)%
Discount rate	+1%	25 202 000	33 927 000	59 129 000	(11)%
Discount rate	-1%	35 475 000	39 470 000	74 945 000	13 %
Post-employment mortality	+1 Year	29 093 000	35 396 000	64 489 000	(3)%
Post-employment mortality	-1 Year	30 339 000	37 602 000	67 941 000	3 %
Average retirement age	-1 Year	32 333 000	36 503 000	68 836 000	4 %
Membership contribution	-10%	25 923 000	36 503 000	62 426 000	(6)%

18.1.6 Past and future changes in the net Defined Benefit Liability

	Year ending 30 June 2025	Year ending 30 June 2026	Year ending 30 June 2027
Opening BDO	60 908 000	66 228 000	71 539 000
Current service cost	1 873 000	2 094 000	2 326 000
Interest cost	7 197 000	7 139 000	7 704 000
Subsidy (benefit) payments	(3 418 742)	(3 922 000)	(4 378 000)
Actuarial loss / (gain)	(331 258)	-	-
	66 228 000	71 539 000	77 191 000

	Year ending 30 June 2025	Year ending 30 June 2026	Year ending 30 June 2027
Current portion (due in next 12 months)	3 718 000	4 150 000	4 401 000
Non-current portion	62 510 000	67 389 000	72 790 000
	66 228 000	71 539 000	77 191 000

19. Accumulated surplus / (deficit)

Opening Balance	2 587 803 231	2 858 203 687
Correction of Prior Period Error	-	(334 203 296)
Transfers to/from operating revenue and expenditure	118 714 880	62 497 904
Transfers to/from Reserves	1 405 654	1 304 936
Total	2 707 923 765	2 587 803 231

Refer to the Statement of Changes in Net Assets for more detail and the movement on Accumulated surplus.

Self-insurance reserve

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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19. Accumulated surplus / (deficit) (continued)

Ring-fenced internal funds and reserves within accumulated surplus

Opening Balance	16 764 329	15 459 392
Interest recognised	1 405 654	1 371 228
Utilisation of reserves	-	(66 291)
	18 169 983	16 764 329

The municipality has a Self Insurance Fund to set aside amounts to offset potential losses or claims, which fall under a stop loss determined and calculated by Council's insurance broker based on the insurance risk carried by the municipality.

The funds are kept in a separate call account and invested on short-term fixed deposits, and the interest earned is credited to the fund.

20. Housing development fund

Realising housing proceeds

Opening balance	53 022 365	47 445 537
Interest recognised for the Housing Development Fund	6 777 775	7 429 761
Utilisation of Housing Development Fund	(19 048 047)	(1 852 933)
	40 752 093	53 022 365

Closing balance

The Housing Development Fund is represented by the following assets:

Bank and cash	46 662 527	53 022 365
Total	(5 910 434)	-

An amount of R 5 910 434 shall be transferred from the primary bank account to the housing operating account to ensure that the funds invested are aligned with the account balances.

21. Services charges

Electricity

Basic and consumption – Electricity	547 744 871	512 063 916
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Waste management

Basic and consumption – Waste management	35 231 689	33 171 074
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Total	582 976 560	545 234 990
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Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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22. Sales of goods and rendering of services

Advertisements	60 877	257 041
Building Plan Approval	372 020	331 303
Cemetery and Burial	193 409	176 039
Cleaning and Removal	11 582	18 088
Clearance Certificates	287 831	307 485
Entrance Fees	292 821	258 334
Fire Services	60 447	228 256
Parking Fees	69 004	44 129
Photo copies, Faxes and Telephone charges	264 173	164 210
Sale of Goods	801	-
Town Planning and Servitudes	702	696
Traffic Control	12 445	10 706
Valuation Services	22 374	39 292
Total	1 648 486	1 835 579

23. Agency services

Provincial	3 612 152	3 594 996
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The Alfred Duma Local Municipality entered into an agreement with the KZN Department of Transport, to collect process and collect driver licenses on behalf of the Department. The municipality act as an agent to this transaction in accordance with GRAP 109, Principal agent arrangements.

A fee of 10% of the total revenue collected is payable to the Municipality by deducting the fee amount from the funds collected on a daily basis. R79 is paid over for every drivers licence card manufactured.

24. Interest earned from receivables

Exchange receivables	24.1	16 323 536	11 832 358
Non-exchange receivables	24.2	51 990 066	44 600 263
Total		68 313 602	56 432 621

24.1 Interest earned from exchange receivables

Consumer receivables

Electricity	4 774 452	2 531 235
Waste management	9 882 975	9 300 809
	14 657 427	11 832 044

Other receivables

Housing	1 666 109	314
Total	16 323 536	11 832 358

24.2 Interest earned from non-exchange receivables

Consumer receivables

Property rates	50 940 445	43 588 342
Electricity	1 049 621	1 011 921
Total	51 990 066	44 600 263

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
25. Interest on investments and bank accounts		
Bank accounts	24 958 608	30 791 935
Short-term investments and call accounts	20 078 725	11 754 964
Total	45 037 333	42 546 899
26. Rental from fixed assets		
Market related	2 940 886	2 860 502
Non-market related	367 821	336 952
Total	3 308 707	3 197 454
26.1 Rental by asset class		
Market related		
Property, plant and equipment	2 940 886	2 860 502
Non-market related		
Property, plant and equipment	367 821	336 952
Total	3 308 707	3 197 454
26.2 Rental by type		
Market related		
Property, plant and equipment		
Land and buildings		
• Ad-hoc rentals	1 858	556
Community assets		
• Ad-hoc rentals	768 732	640 475
Other assets		
• Straight-lined operating	2 170 296	2 219 471
Total property, plant and equipment	2 940 886	2 860 502
Non-market related		
Property, plant and equipment		
Other assets		
• Straight-lined operating	367 821	336 952
Total non-market related	367 821	336 952
Total	3 308 707	3 197 454

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
27. Operational revenue		
Exchange revenue		
Administrative Handling Fees	283 421	-
Collection Charges	630 443	63 543
Commission	8 209	4 485
Incidental Cash Surpluses	804	1 698
Insurance Refund	406 906	614 537
Merchandising, Jobbing and Contracts	3 963 477	4 018 798
Registration fees	266 848	188 123
Sale of Property	1 362 387	326 828
Staff and Councillors Recoveries	-	5 064
Total	6 922 495	5 223 076

The sale of property decreased due to less proceeds from sale of assets as compared to previous year.

Registration fees relates to the collection of issuing of flammable certificates.

Merchandising, jobbing and contract revenue relates to activities and adhoc services provided to departments and customers.

28. Fair Value Adjustments

Fair Value Adjustments	23 035 844	20 967 421
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29. Construction contract revenue

Construction contract revenue	9 565 217	1 080 996
Construction contract expenditure	(9 565 217)	(1 080 996)
Total	-	-

In accordance with National Treasury guidance issued in August 2023, the Integrated National Electrification Programme Grant and its associated expenditure was recorded as construction contract revenue and expenditure.

This is due to the Municipality implementing projects within the Eskom area and the assets being transferred to Eskom.

On receipt of the grant, the amount is recorded as an advance payment. Revenue is recognised as construction contract revenue in accordance with expenditure being incurred.

30. Service charges - Availability charges

Electricity		
Availability charges	3 138 891	2 839 285

31. Property rates by usage

Agricultural property	6 251 174	9 264 327
Business and commercial properties	80 743 738	73 665 107
Industrial properties	5 104 012	4 437 575
Public service purposes properties	96 935 199	49 505 671
Residential properties	107 392 697	136 621 494
Vacant land	28 164 268	24 186 096
Total	324 591 088	297 680 270

The following property allocation factors (rate) are applied to the various categories of property to determine assessment rates less the impermissible valuation allowed.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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31. Property rates by usage (continued)

	R'000	R'000
Market values for the below mentioned categories:		
Residential	14 435 013	14 412 113
Commercial/Business	3 582 952	3 528 015
Industrial	358 958	333 459
Agricultural	2 161 237	2 162 673
Public Service Infrastructure	45 929	31 772
Vacant Land	537 737	564 600
Municipal Land	652 873	624 809
State	3 160 872	3 142 000
Non Profit Organisations	91 721	19 670
Place of Worship/Religious	446 557	426 933
Municipal Vacant Land	219 280	130 260
Public Vacant Land	5 366	4 302
Unregistered/Other/Undefined	8 352	1
	25 706 847	25 380 607

Valuations on land and buildings are performed every five years. The last general valuation came into effect on 1 July 2023.

Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Supplementary valuation rolls have been received for the 2024/2025 financial year.

Impermissible rebates are applied to residential properties valued less than or equal to R150 000 on market values.

Rates are levied on an annual basis with the final date for payment being 30 June 2025. Interest is raised on overdue accounts at 10.25% per annum in accordance with the National Credit Act, in respect of arrears account arising after 1 November 2016.

Arrear accounts arising before 31 October 2016 are charged interest at a rate of 9% per annum.

The following property allocation factors (rate) are applied to the various categories of property to determine assessment rates less the impermissible valuation allowed:

Valuation Roll Randages

Residential	0.01208	0.01130
Business and Commercial	0.02249	0.02102
Industrial	0.01447	0.01352
Agricultural	0.00294	0.00274
Vacant land	0.05174	0.04836
State	0.03081	0.02880

32. Fines, penalties and forfeits

Fines	32.1	12 418 176	9 804 362
Penalties	32.2	21 786	39 468
Forfeits	32.3	3 563 204	-
Total		16 003 166	9 843 830

32.1 Fines

Traffic fines

Municipal fines	9 155 799	6 738 263
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Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand		2025	2024
32. Fines, penalties and forfeits (continued)			
Other fines			
Building fines		45 652	-
Illegal connections		3 190 150	3 008 126
Law enforcement		-	42 766
Overdue books		7 403	5 299
Pound fees		19 172	9 908
		3 262 377	3 066 099
Total		12 418 176	9 804 362
32.2 Penalties			
Motor vehicle licence		21 786	39 468
32.3 Forfeits			
Unclaimed money		3 563 204	-
33. Licence and permits			
Exchange revenue	33.1	4 026 004	3 727 566
33.1 Licenses and permits – Exchange revenue			
Road and transport		3 462 395	3 429 231
Trading		563 609	298 335
Total		4 026 004	3 727 566
34. Transfers and subsidies			
Operational			
Monetary allocations	34.1	356 619 014	345 027 676
Capital			
Allocations in-kind	34.2	243 743	-
Monetary allocations	34.3	111 378 563	90 585 619
Total transfers and subsidies: Capital		111 622 306	90 585 619
Total		468 241 320	435 613 295
34.1 Monetary allocations: Operational			
Departmental agencies and accounts: LGSETA		1 501 662	853 683
District municipalities :Job Evaluation		522 945	127 672
National government		17 825 005	27 425 943
National revenue fund: Equitable Share		325 368 176	307 255 000
Provincial government		11 401 226	9 365 378
Total		356 619 014	345 027 676
34.2 Allocations in-kind: Capital			
Provincial government - Donations received		243 743	-

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
34. Transfers and subsidies (continued)		
34.3 Monetary allocations: Capital		
National government	97 737 485	70 314 518
Provincial government	13 641 078	20 271 101
Total	111 378 563	90 585 619

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

35. Employee related cost

Salaries and allowances

Basic salary	310 640 351	274 542 685
Bonuses	622 397	1 089 564
Allowances:		
Cellular and Telephone	11 847	23 410
Housing Benefits	1 058 163	1 006 499
Travel or Motor Vehicle	23 099 618	21 858 910
Accommodation, Travel and Incidental	670 754	725 610
Service related benefits:		
Overtime	7 626 466	4 285 637
Acting and Post Related Allowances	2 312 517	1 722 125
Bonus	19 455 665	18 568 949
Standby Allowance	3 176 689	4 383 395
Tools Allowance	4 360	4 885
Uniform/Special/Protective Clothing	207 411	229 111
	368 886 238	328 440 780

Social contributions

Group life insurance	64 641	86 162
Medical	12 601 957	11 483 248
Pension	40 539 738	37 197 936
Unemployment Insurance	2 414 592	2 155 344
Bargaining Council	167 614	132 167
	55 788 542	51 054 857

Contributions to provision

Medical	1 873 000	1 691 000
Leave Gratuity	4 522 305	4 413 336
Long Term Service Awards	2 158 000	1 983 000
	8 553 305	8 087 336
Total	433 228 085	387 582 973

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand		2025	2024
35. Employee related cost (continued)			
Senior management	35.1	10 669 543	10 943 149
Municipal staff	35.2	422 558 542	376 639 824
Total		433 228 085	387 582 973
35.1 Senior management costs			
Salaries and allowances			
Basic salary		8 723 340	8 477 376
Bonuses		622 397	1 089 564
Allowances			
Travel or Motor Vehicle		1 216 703	1 306 944
Service related benefits			
Acting and Post Related Allowances		95 061	54 565
		10 657 501	10 928 449
Social contributions			
Unemployment Insurance		12 042	14 700
Total		10 669 543	10 943 149
Remuneration of Section 57 employees			
Remuneration of Municipal Manager - Ms. SS Ngiba			
Salaries and allowances			
Basic salary		1 924 124	1 410 886
Bonuses		100 156	155 652
Allowance:			
Travel or Motor Vehicle		240 000	240 000
Service related benefits			
Acting and Post Related Allowances		22 789	-
		2 287 069	1 806 538
Social contributions			
Unemployment Insurance		2 125	2 125
Total		2 289 194	1 808 663
Remuneration of Chief Financial Officer			
Salaries and allowances			
Basic Salary - Mr MT Nkosi		-	1 025 626
Bonuses - Mr MT Nkosi		-	155 652
Allowance:			
Travel or Motor Vehicle - Mr MT Nkosi		-	132 000
Service related benefits:			
Acting and Post Related Allowances - Ms I Gajadhur		13 591	-
Acting and Post Related Allowances - Mr RA Jhetam		58 681	54 565
		72 272	1 367 843
Social contributions			
Unemployment Insurance		-	1 948
Total		72 272	1 369 791

On the 28th November 2024, as per LC 20/11/2024, Council resolved to appoint **Mr R.A. Jhetam**, serving as the current Deputy Chief Financial Officer, to the position of Chief Financial Officer of the Municipality with effect from 01 December 2024.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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35. Employee related cost (continued)

The Municipality has applied for a waiver approval from the Minister of Co-Operative Governance and Traditional Affairs (COGTA) to allow the remuneration package for the position to exceed the prescribed upper limits. This approval was outstanding at the reporting date. Pending the Minister's decision, Mr Jhetam continues to be remunerated at the level of the Deputy Chief Financial Officer until his formal acceptance of the position. This is subject to the waiver being granted by the Minister of Co-Operative Governance and Traditional Affairs (COGTA).

Remuneration of Executive Director: Corporate Services - Mrs EC Molefe & Mrs SNV Mavimbela

Salaries and allowances

Basic Salary - Mrs EC Molefe	1 188 885	1 214 723
Basic Salary - Mrs SNV Mavimbela	128 266	-
Bonuses - Mrs EC Molefe	58 203	155 652
Allowance:		
Travel or Motor Vehicle - Mrs EC Molefe	96 000	144 000
Travel or Motor Vehicle - Mrs SNV Mavimbela	61 285	-
	1 532 639	1 514 375

Social contributions

Unemployment Insurance - Mrs EC Molefe	1 417	2 125
Unemployment Insurance - Mrs SNV Mavimbela	354	-
	1 771	2 125

Total	1 534 410	1 516 500
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Remuneration of Executive Director: Technical and Infrastructure Services - Mr RH Mazibuko

Salaries and allowances

Basic Salary	1 060 333	1 416 580
Bonuses	73 581	155 652
Allowance:		
Travel or Motor Vehicle	144 000	144 000
	1 277 914	1 716 232

Social contributions

Unemployment Insurance	2 125	2 126
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Total	1 280 039	1 718 358
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Remuneration of Executive Director: Community and Social Services - Mr SN Kunene & Ms N Nguse

Salaries and allowances

Basic Salary - Mr SN Kunene	591 441	1 380 915
Basic Salary - Ms N Nguse	423 878	-
Bonuses - Mr SN Kunene	244 938	155 652
Allowance:		
Travel or Motor Vehicle - Mr SN Kunene	50 000	120 000
Travel or Motor Vehicle - Ms N Nguse	50 000	-
	1 360 257	1 656 567

Social contributions

Unemployment Insurance - Mr SN Kunene	886	2 125
Unemployment Insurance - Ms N Nguse	885	-
	1 771	2 125

Total	1 362 028	1 658 692
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Remuneration of Executive Director: Public Safety and Emergency Services - Mr PB Simelane

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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35. Employee related cost (continued)

Salaries and allowances

Basic Salary	1 861 032	978 923
Bonuses	75 347	155 652
Allowance:		
Travel or Motor Vehicle	266 418	217 944
	2 202 797	1 352 519

Social contributions

Unemployment Insurance	2 125	2 126
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Total

2 204 922	1 354 645
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Remuneration of Executive Director : Department of Planning and Human Settlements - Mr MZ Kunene

Salaries and allowances

Basic Salary	1 545 381	1 049 723
Bonuses	70 172	155 652
Allowance:		
Travel or Motor Vehicle	309 000	309 000
	1 924 553	1 514 375

Social contributions

Unemployment Insurance	2 125	2 125
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Total

1 926 678	1 516 500
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In-Kind Benefits (Provision of Security Services)

The Municipal Manager had two (2) bodyguards, one (1) driver. The expenditure amounted to R 894 966.84 for the 2024/2025 financial year and the expenditure amounted to R 1 738 593 for the 2023/2024 financial year

The Municipal Manager and Executive Directors are remunerated in terms of the Upper Limites of Total Remuneration Packages Payable to Municipal Managers and Managers Directly Accountable to Municipal Managers, issued in terms of the Local Government: Municipal Systems Act 32 of 2000.

35.2 Municipal staff costs

Salaries and allowances

Basic Salary	301 917 011	266 065 309
Allowances	23 623 679	22 307 485
Service related benefits	32 688 047	29 139 537
	358 228 737	317 512 331

Social contributions

Group life insurance	64 641	86 162
Medical	12 601 957	11 483 248
Pension	40 539 738	37 197 936
Unemployment insurance	2 402 550	2 140 644
Bargaining council	167 614	132 167
	55 776 500	51 040 157

Contributions to provision

Medical	1 873 000	1 691 000
Leave Gratuity	4 522 305	4 413 336
Long Term Service Awards	2 158 000	1 983 000
	8 553 305	8 087 336

Total

422 558 542	376 639 824
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Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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36. Remuneration of councillors

Allowances and service related benefits

Travelling allowance	2 405 017	2 185 169
Basic salary	22 705 815	21 520 672
Cell phone allowance	3 416 143	3 372 115
	28 526 975	27 077 956

Social contributions

Pension Fund	1 485 625	3 707 219
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Total	30 012 600	30 785 175
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Mayor - Cllr ZJ Sibisi	36.1	1 059 993	1 005 693
Chief Whip - Cllr S Sithole	36.2	689 115	449 888
Speaker - Cllr BP Sithole	36.3	857 394	814 560
Deputy Mayor - Cllr S Simelane	36.4	853 156	814 560
Executive committee	36.5	3 766 189	3 444 120
Section 79 committee chairperson - Cllr MR Suddaby & Cllr SA Buys	36.6	769 313	745 755
All other Councillors	36.7	22 017 440	23 510 599
Total		30 012 600	30 785 175

All Other Councillors are remunerated with basic salary of R24 147 (2024:R23 978, cellphone and data allowance of R3 917 (2024:R3 700) per month.

All other allowances such as pension, medical and travell allowance are at the descretion of each Councillor within the existing prescribed limits.

A complete listing of all Councillors is reflected in the annual report.

36.1 Mayor - Cllr ZJ Sibisi

Allowances and service related benefits

Basic salary	1 012 989	959 123
Cell phone allowance	47 004	46 570
	1 059 993	1 005 693

36.2 Chief Whip - Cllr S Sithole

Allowances and service related benefits

Basic salary	448 090	281 305
Cell phone allowance	47 004	46 570
Travelling allowance	160 414	99 352
	655 508	427 227

Social contributions

Pension fund contributions	33 607	22 661
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Total	689 115	449 888
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36.3 Speaker - Cllr BP Sithole

Allowances and service related benefits

Basic salary	753 851	712 024
Cell phone allowance	47 004	46 570
	800 855	758 594

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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36. Remuneration of councillors (continued)

Social contributions

Pension fund contributions	56 539	55 966
Total	857 394	814 560

36.4 Deputy Mayor - Cllr S Simelane

Allowances and service related benefits

Basic salary	701 002	734 750
Cell phone allowance	47 004	46 570
Total	748 006	781 320

Social contributions

Pension fund contributions	105 150	33 240
Total	853 156	814 560

36.5 Executive committee

Allowances and service related benefits

Basic salary	2 475 658	2 260 077
Cell phone allowance	376 032	354 975
Travelling allowance	635 387	552 951
Total	3 487 077	3 168 003

Social contributions

Pension fund contributions	279 112	276 117
Total	3 766 189	3 444 120

36.6 Section 79 committee chairperson - Cllr MR Suddaby & Cllr SA Buys

Allowances and service related benefits

Basic salary - Cllr MR Suddaby	75 621	453 536
Basic salary - Cllr SA Buys	527 267	-
Cell phone allowance - Cllr MR Suddaby	7 834	46 570
Cell phone allowance - Cllr SA Buys	39 170	-
Travelling allowance - Cllr MR Suddaby	28 988	172 867
Total	678 880	672 973

Social contributions

Pension fund contributions - Cllr MR Suddaby	11 343	72 782
Pension fund contributions - Cllr SA Buys	79 090	-
Total	90 433	72 782

Total

769 313	745 755
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Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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36. Remuneration of councillors (continued)

36.7 All other Councillors

Allowances and service related benefits

Basic salary	16 711 337	16 119 857
Cell phone allowance	2 805 091	2 784 290
Travelling allowance	1 580 228	1 359 999
	21 096 656	20 264 146

Social contributions

Pension fund contributions	920 784	3 246 453
Total	22 017 440	23 510 599

In kind benefits (Provision of the security services)

The Mayor, Deputy Mayor, Speaker, Chief Whip and MPAC Chairperson are employed full-time. Each is provided with an office, administrative and secretarial support at the cost of the Council.

The Mayor, Deputy Mayor, Speaker and Chief Whip have access to Council owned vehicles for ceremonial and official functions.

The Mayor had four (4) full time bodyguards, three (3) drivers and three (3) security guards and the use of an outsourced vehicles. The expenditure amounted to R 3 717 398 for the 2024/2025 financial year. The expenditure amounted to R 2 790 788 for the 2023/2024 financial year.

The Deputy Mayor had two (2) full time bodyguards and one (1) driver and use of an outsourced vehicle. The expenditure amounted to R 1 381 382 for the 2024/2025 financial year. The expenditure amounted to R 3 372 410 for the 2023/2024 financial year.

The Speaker had two (2) full time bodyguards and one (1) driver. The expenditure amounted to R 895 132 for the 2024/2025 financial year. The expenditure amounted to R 851 226 for the 2023/2024 financial year.

The Chief Whip had five (5) full time bodyguards, three (3) drivers and three (3) security guards and use of an outsourced vehicle. The expenditure amounted to R 3 808 025 for the 2022/2023 financial year. The expenditure amounted to R 2 821 543 for the 2023/2024 financial year.

Cllr ASD Warasally had two (2) bodyguards and one (1) driver. The expenditure amounted to R 916 802 for the 2024/2025 FY. The expenditure amounted to R 851 226 for the 2023/2024 financial year.

Cllr Biyela had two (2) bodyguards and one (1) driver. The expenditure amounted to R 1 115 999 for the 2024/2025 financial year. The expenditure amounted to R 929 999 for the 2023/2024 financial year.

37. Bulk purchases

Electricity: Eskom	458 210 807	418 958 457
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Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand		2025	2024
37. Bulk purchases (continued)			
37.1 Electricity losses			
		2025	2024
		KHW	Amount
Units purchased (Kilowatt hours)		257 175 722	267 799 035
Units sold (Kilowatt hours)		(214 808 758)	(225 142 839)
Total loss		42 366 964	42 656 196
Comprising of:			
Technical losses (Monetary Amount)		18 621 689	17 005 239
Non-technical losses (Monetary Amount)		42 732 813	37 168 131
Total		61 354 502	54 173 370
Percentage loss:			
Technical losses		5.00 %	5.00 %
Non-technical losses		11.47 %	11.00 %
Total		16.47 %	16.00 %
38. Inventory consumed			
Consumables		1 245 747	1 246 477
Land		839 937	1 142 510
Materials and supplies		35 044 416	29 232 151
Total		37 130 100	31 621 138
39. Debt impairment (reversal)			
Trade and other receivables from exchange transactions		(32 272 748)	34 194 371
Property Rates		106 276 893	126 162 443
Non Specific Accounts		2 814 043	(939 851)
Total		76 818 188	159 416 963
40. Depreciation and Amortisation			
Amortisation			
Intangible assets	11.1	406 211	609 886
Depreciation			
Property, plant and equipment		76 832 212	83 118 593
Total		77 238 423	83 728 479
41. Impairment losses / (reversal) of impairment on cash and non- cash generating assets			
Impairment loss / Reversal of impairment			
Intangible assets	11.1	715	-
Property, plant and equipment		(1 717 606)	(23 703)
Total		(1 716 891)	(23 703)

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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42. Finance Cost

42.1 Finance Cost

Borrowings		
• Annuity loans	168 008	122 366
Finance leases	-	103 962
Interest costs on landfill site provision	17 9 562 029	8 335 524
Actuarial interest on long service awards and post retirement medical aid	9 595 000	8 909 000
Total	19 325 037	17 470 852

43. Lease rentals on operating leases

Furniture and Office Equipment	1 404 530	1 439 233
Other Assets	39 839	35 487
Total	1 444 369	1 474 720

Operating leases (as a lessee)

Within one year	1 078 309	1 768 902
In second to fifth year inclusive	135 168	4 827 674
Total	1 213 477	6 596 576

The municipality entered into a lease agreement with ITECH to lease the photocopier machines. The commencement of the lease was 01 February 2023 and expires in 01 February 2026.

The municipality has entered into another lease agreement with ITECH for a period of thirty-six (36) months from 1 May 2025 and expires in 30 April 2028.

44. Contracted services

Consultants and professional services	44.1	14 380 129	12 688 126
Contractors	44.2	41 759 078	45 844 609
Outsourced services	44.3	24 782 837	37 077 034
Total		80 922 044	95 609 769

44.1 Consultants and professional services

Business advisory services

Audit committee	208 567	217 227
Business and financial management	2 636 233	3 009 396
Commissions and committees	12 000	706 269
Credit rating agencies	-	120 337
Forensic investigators	1 027 849	1 026 243
Human resources	74 366	195 618
Medical examinations	24 789	109 509
Project management	466	499 534
Qualification verification	70 783	2 671
Valuer and assessors	503 020	357 092
Total business advisory services	4 558 073	6 243 896

Legal services

Collection	684 863	1 196 417
Legal advice and litigation	3 725 068	2 555 453
Total legal services	4 409 931	3 751 870

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
44. Contracted services (continued)		
Engineering services		
Civil engineering	652 620	425 860
Electrical engineering	957 150	-
Total engineering services	1 609 770	425 860
Infrastructure and planning services		
Ecological infrastructure and planning	1 205 000	1 410 000
Town planner infrastructure and planning	2 597 355	856 500
Total infrastructure and planning services	3 802 355	2 266 500
Total consultants and professional services	14 380 129	12 688 126
44.2 Contractors		
General services		
Catering services	972 450	1 553 304
Event promoters	4 658 831	4 344 332
Pest control and fumigation	42 009	31 212
Traffic and street lights	1 560	3 174
Transportation	455 500	793 389
Total general services	6 130 350	6 725 411
Maintenance services		
Maintenance of buildings and facilities	579 059	177 280
Maintenance of equipment	851 234	681 069
Maintenance of unspecified assets	34 198 435	38 260 849
Total maintenance service	35 628 728	39 119 198
Total contractor	41 759 078	45 844 609
44.3 Outsourced services		
Business and advisory services		
Project Management	-	15 430
General services		
Administrative and support staff	-	945 452
Animal Care	153 543	193 467
Burial Services	-	4 870
Catering Services	314 768	18 500
Meter Management	4 235 700	2 466 430
Professional Staff	83 327	16 579
Total general services	4 787 338	3 645 298
Trading services		
Connection/Dis-connection: Electricity	1 348 750	840 000
Security Services	18 646 749	32 576 306
Total trading services	19 995 499	33 416 306
Total outsourced services	24 782 837	37 077 034

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand		2025	2024
45. Transfers and subsidies			
Operational			
Monetary allocations	45.1	4 513 176	4 514 869
45.1 Monetary allocations: Operational			
Households		4 513 176	4 514 869
46. Irrecoverable debts written off			
Electricity		6 659 014	1 103 520
Housing and sundry debtors		4 869 931	1 241 246
Waste management		68 287 006	5 768 950
Traffic fines		7 557 350	6 220 950
Property rates		12 866 852	5 256 466
Total		100 240 153	19 591 132
Split between exchange and non-exchange			
Exchange		79 815 951	7 010 197
Non-exchange		20 424 202	12 580 935
Total		100 240 153	19 591 132

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
47. Operational cost		
Advertising, Publicity and Marketing	716 361	674 552
Assets less than the Capitalisation Threshold	759 621	290 498
Bank Charges, Facility and Card Fees	375 856	438 977
Bursaries (Employees)	677 357	257 542
Cash Discount	4 010 023	2 547 001
Cleaning Services	220	1 060
Commission	3 414 725	3 175 269
Communication	5 814 114	6 142 964
Deeds	109 956	43 822
Drivers Licences and Permits	1 370	1 170
Entertainment	23 789	29 644
External Audit Fees	5 616 918	5 466 257
External Computer Service	11 375 004	8 337 059
Hire Charges	966 178	541 020
Insurance Underwriting	3 142 715	6 463 052
Learnerships and Internships	1 135 573	1 201 915
Licences	1 138 939	1 071 691
Municipal Services	30 562 639	32 961 129
Printing, Publications and Books	2 054 714	1 925 477
Professional Bodies, Membership and Subscription	4 771 388	4 527 792
Registration Fees	162 027	645 254
Remuneration to Ward Committees	6 436 500	5 412 229
Seating Allowance for Traditional Leaders	18 750	-
Skills Development Fund Levy	3 424 784	3 009 260
Toll Gate Fees	51 458	37 206
Travel and Subsistence	2 695 303	2 323 533
Uniform and Protective Clothing	5 208 818	3 643 500
Vehicle Tracking	823 081	846 340
Wet Fuel	14 782 721	14 906 044
Workmen's Compensation Fund	2 914 623	2 526 859
Total	113 185 525	109 448 116
48. Loss on disposal of fixed and intangible assets		
Intangible Assets	789	22 065
Property ,plant and equipment	962 562	5 174 072
Heritage assets	589 000	-
Total	1 552 351	5 196 137
49. Loss on remeasurement of employee benefits		
Loss on remeasurement of employee benefits	36 807	864 301

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
50. Net cash from/(used) operating activities		
Surplus for the year	118 714 874	62 497 904
Adjustments for:		
Depreciation and Amortisation	77 238 423	83 728 479
(Gains) / Losses on Disposal of Assets	1 552 351	5 196 137
Donations received in kind	(243 743)	-
Actual gains / (losses)	36 807	864 301
Fair Value adjustment	(23 035 844)	(20 967 421)
Impairment on cash and non-cash generating assets	(1 716 891)	(23 703)
Debt impairment	76 818 188	159 416 963
Bad debts written off	100 240 153	19 591 132
Councillors provision included in remuneration for Councillors	-	2 328 317
Contribution to performance bonus	622 397	1 089 565
Contribution to annual bonus payable	(80 060)	(102 756)
Interest on landfill site provision	9 562 029	8 335 524
Actuarial interest on long service awards and post retirement medical aid	9 595 000	8 909 000
Contribution to post retirement medical and long service awards included in employee cost	4 031 000	3 674 000
Contribution to staff leave	4 522 305	4 895 930
Finance cost for cash item disclosed under investing activities	153 816	226 328
Contribution to provision for Uthukela District Municipality	7 763 050	12 632 357
Cash discount	4 010 023	2 547 001
Finance Cost for accrued interest on borrowings	14 191	-
Forfeited deposits recognised to revenue	(3 563 204)	-
Movement in working capital		
(Increase) / Decrease in Inventory	(1 562 604)	(4 478 941)
(Increase) / Decrease in Receivables from exchange transactions	(63 912 994)	(72 060 691)
(Increase) / Decrease in Receivables from non-exchange transactions	(146 993 542)	(124 264 413)
(Increase) / Decrease in Employee Benefit Payables	(4 947 177)	(6 180 780)
(Increase) / Decrease in Control clearing - salaries payables	(37 250)	(1 716 462)
(Increase) / Decrease in Output Tax Accrual	(3 293 239)	8 040 752
(Increase) / Decrease in Input VAT Accrual	(4 407 507)	(3 098 402)
(Increase) / Decrease in VAT Control Receivables	1 204 263	29 248 343
Increase / (Decrease) in Payables from exchange transactions	25 566 147	3 701 331
Increase / (Decrease) in Provisions	(4 608 114)	(3 688 173)
Increase / (Decrease) in Unspent Conditional Grants and Receipts	25 904 898	(13 441 481)
Increase / (Decrease) in Consumer Deposits	2 944 773	(307 237)
Increase / (Decrease) in unallocated deposits payable	2 200 580	251 552
Increase / (Decrease) Income received in advance	(1 329 588)	(2 837 392)
Increase / (Decrease) in Defined Benefit Obligation	(3 436 823)	(3 336 604)
Increase / (Decrease) in Housing Development Fund	(12 270 272)	5 576 828
Increase / (Decrease) in Self Insurance Reserve	1 405 658	1 304 935
Net cash flows from operating activities	198 662 075	167 552 223

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
51. Contingent liabilities		
The Municipality is defending a case for damages for allegations of unlawful arrest and defamation. The State Attorney's is dealing with this matter. Case No 11653/2015	500 000	500 000
The Municipality was defending a case for damages involving a minor falling into a trench. The claim and the matter has not been set down for trial as yet. Case No.9222/2010. Case has been closed in the 2024/25 financial year. The plaintiff has failed to set the matter down for trial.	-	985 000
The Municipality was defending a case for an outstanding payment to a service provider. The Municipality is defending the claim and the case is at discovery stage and awaiting trial. Case No. 6040/2015. Case has been closed in the 2024/25 financial year as the matter has remained dormant for a long period of time.	-	1 900 000
The Municipality is defending a case for an outstanding payment relating to the release of retention. The matter is still pending as the original summons needs to be located and inserted into the court file. Case No. 491/2018.	219 450	219 450
The Municipality was defending a case for damages for allegations of unlawful arrest. The Municipality is defending the matter and the matter is on the pleading stage. Case No.60/2021. Case closed.	-	200 000
The municipality is defending a case for an outstanding payment due and payable to a service provider. Defendant has filed a pre-trial Notice. Case No. 87872020/P	1 406 030	1 406 030
The Municipality was defending a case for an alleged service that was rendered to the former Indaka Local Municipality which was not paid for. The matter is awaiting trial date. Case No. 13232/17P. Case closed in the 2024/25 financial year as the matter has remained dormant for a long period of time.	-	763 780
The Municipality was defending a case for damages incurred by a municipal driver who reversed into a third party's vehicle. The municipality was internally defending the case which has subsequently been closed as it was finalised by the Internal Legal Service.	-	28 000
The Municipality is defending the matter in respect of alleged claims made by the plaintiff for services rendered. The case number is 4288/24P KZN/LC/RC 143/202.	12 450 652	12 450 652
The Municipality is defending the matter in respect of claims regarding a minor who was electrocuted after coming into contact with a live wire on a water tanker. Case number 15479/23. The matter is at pre-trial stage.	2 040 000	2 040 000
The Municipality was defending the matter in respect of a motor vehicle collision that occurred as a result of a pothole. Case Number 335/2022 has subsequently been closed as it was finalised by the Internal Legal Service.	-	92 777
The Municipality was defending the matter in respect of a motor vehicle collision that occurred as a result of a pothole. Case number 174/2021 has subsequently been closed as it was finalised by the Internal Legal Service.	-	20 126
The Municipality was defending the matter in respect of a claim against the municipality for damages in respect of a wrongful arrest by the Department: Public Safety and Emergency Services. Case number 819/2021 has subsequently been closed.	-	200 000

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
51. Contingent liabilities (continued)		
The Municipality is disputing the amounts charged on the water accounts with uThukela District Municipality. The debt in question is older than three years and is currently under investigation. The Municipality disputes the validity and accuracy of the charges raised by uThukela District Municipality and is engaging with the relevant parties to resolve the matter.	7 596 030	-
	24 212 162	20 805 815

52. Related party disclosures

Key Management Personnel and Councillors Remuneration

Remuneration of Key Management Personnel and Councillors is included in Note 35 & 36 to the Annual Financial Statements.

Apart from remuneration of Councillors and Senior Managers, as disclosed in the above notes to the Annual Financial Statements, the Municipality did not enter into any other related party transactions during the reporting period.

53. Adjusting and Non-adjusting events after the reporting date

Adjusting Events

Subsequent to year end, Council as per its meeting that was held on 21 August 2025 resolved as per Council Resolution LC 05/08/2025 to write off all missing, damaged, demolished, vandalised and stolen assets with effect from 30 June 2025. The Municipality has subsequently adjusted the Annual Financial Statements to reflect the impact of this write off.

1 478 012 -

There has not been any non - adjusting events identified to date after the reporting period, 30 June 2025.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

54. Principal-agent arrangements

54.1 Municipality acting as the agent

The entity is a party to a principal-agent arrangement(s).

Housing Development Project

The municipality is a party to a principal-agent arrangement in terms of the Housing Development Project. The municipality is considered to be an agent in accordance with GRAP 109, with the Provincial Department of Human Settlements being the principal in this arrangement.

Details of the arrangement is as follows:

The purpose of the arrangement is to construct low-cost houses for the identified beneficiaries. The funding is provided by the Provincial Department of Human Settlements.

Significant terms and conditions of the arrangement are as follows:

- The municipality to manage and procure the implementation of the project.
- Design the product in consultation with all stakeholders.
- Investigate building systems and designs that are acceptable with the community, the municipality and the Department.
- Construct the project in accordance with the drawings and specifications within the period of the agreement.

Significant risks have been identified as follows:

- Delays in land acquisitions, and funding approval.
- Social unrest, inadequate funding to meet the requirements, and environmental risks.

Mitigation strategies and benefits associated with the relationship are as follows:

- Negotiating with land owners prior to the construction.
- Ensuring compliance with the agreements to ensure speedy release of the funding.
- Constant communication with the community and ensuring public participation.
- Be pro-active in the feasibility study to be aware of the environmental pre-conditions.

Entity as agent

Remittance of resources

The remittance of resources during the period are:

- The Municipality received funds totalling R 4 431 808 in addition to the unspent opening balance of R41 092 034 and amount spent total to R 3 915 688. The unspent funds at end of the financial year is R 41 608 154. See note 16.

Revenue recognised

The Municipality does not receive compensation for the transactions carried out on behalf of the principal, in terms of the arrangement, and hence no revenue has been recognised in the current and prior financial year.

Liabilities and corresponding rights of reimbursement recognised as assets

No liabilities have been incurred on behalf of Human Settlements have been recognised by the municipality

55. Changes in accounting policy

No change in accounting policies occurred during the year under review.

56. Prior year adjustments

The following restatements and adjustments occurred which are set out below:

Statement of Financial Performance

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

56. Prior year adjustments (continued)

	As previously reported	Prior period errors restating the 2023/24 movements	Re- classification	Restated	Reason for diff. (Ref. note)
Revenue					
Exchange revenue					
Services charges – Electricity	518 574 970	(6 511 054)	-	512 063 916	56.1
Services charges – Waste management	33 241 087	(70 013)	-	33 171 074	56.2
Sales of goods and rendering of services	1 835 579	-	-	1 835 579	
Agency services	3 594 996	-	-	3 594 996	
Interest earned from receivables	11 832 358	-	-	11 832 358	
Interest on investments and bank accounts	42 546 899	-	-	42 546 899	
Licence and permits	3 727 566	-	-	3 727 566	
Rental from fixed assets	3 197 454	-	-	3 197 454	
Operational revenue	5 219 491	3 585	-	5 223 076	56.3
Fair Value Adjustments	139 259 855	(118 292 434)	-	20 967 421	56.4
Construction contract revenue	1 080 884	112	-	1 080 996	
	764 111 139	(124 869 804)	-	639 241 335	
Non-exchange revenue					
Availability charges – Electricity	2 854 026	(14 741)	-	2 839 285	56.5
Property rates by usage	298 194 293	(514 023)	-	297 680 270	56.6
Fines, penalties and forfeits	9 598 464	245 366	-	9 843 830	56.7
Transfers and subsidies – Operational	345 027 676	-	-	345 027 676	
Transfers and subsidies – Capital	90 585 619	-	-	90 585 619	
Interest earned from receivables	-	(246 014)	44 846 277	44 600 263	56.8
Interest earned on availability charges	1 011 921	-	(1 011 921)	-	
Property rates - Penalties imposed	43 834 356	-	(43 834 356)	-	
	791 106 355	(529 412)	-	790 576 943	
Total revenue	1 555 217 494	(125 399 216)	-	1 429 818 278	
Expenditure					
Employee related cost	393 357 487	(362 285)	(5 412 229)	387 582 973	56.9
Remuneration of councillors	30 831 588	(46 413)	-	30 785 175	56.10
Bulk purchases	418 958 457	-	-	418 958 457	
Inventory consumed	31 682 656	(61 518)	-	31 621 138	56.11
Debt impairment (reversal)	88 588 315	70 828 648	-	159 416 963	56.12
Depreciation and Amortisation	82 970 435	758 044	-	83 728 479	56.13
Impairment losses / (reversal) of impairment on cash and non- cash generating assets	(23 703)	-	-	(23 703)	
Finance Cost	17 470 852	-	-	17 470 852	
Contracted services	95 633 594	(23 825)	-	95 609 769	56.14
Transfers and subsidies	4 516 738	(1 869)	-	4 514 869	56.15
Irrecoverable debts written off	19 591 132	-	-	19 591 132	
Lease rentals on operating leases	1 358 991	115 729	-	1 474 720	56.16
Operational cost	99 063 594	4 972 293	5 412 229	109 448 116	56.18
Loss on disposal of fixed and intangible assets	5 661 362	(465 225)	-	5 196 137	56.17
Loss on remeasurement of employee benefits	864 301	-	-	864 301	
Construction contract expenditure	1 080 996	-	-	1 080 996	
Total expenditure	1 291 606 795	75 713 579	-	1 367 320 374	
Deficit for the year	263 610 699	(201 112 795)	-	62 497 904	

56.1 Service charges - electricity

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

56. Prior year adjustments (continued)

During the current financial year, it was identified that the municipality had been incorrectly raising service charges related to electricity on municipal-owned properties in the prior reporting period. These charges did not meet the recognition criteria in terms of GRAP 9: Revenue from Exchange Transactions, as municipal-owned properties are not subject to service charges in the same manner as consumer accounts. The incorrect recognition resulted in an overstatement of revenue in the affected period.

56.2 Services Charges - Waste management

During the current financial year, it was identified that the municipality had been incorrectly raising service charges related to waste management on municipal-owned properties in the prior reporting period. These charges did not meet the recognition criteria in terms of GRAP 9: Revenue from Exchange Transactions, as municipal-owned properties are not subject to service charges in the same manner as consumer accounts. The incorrect recognition resulted in an overstatement of revenue in the affected period.

56.3 Operational revenue

During the current financial year, it was identified that commission relating to staff deductions had not been recognised in prior reporting periods. The municipality facilitates certain payroll deductions on behalf of third parties (such as medical aid, insurance, or other service providers) and earns a commission or administration fee for rendering this service.

In accordance with GRAP 9: Revenue from Exchange Transactions, such commission income should be recognised when the related service is rendered, on an accrual basis. The omission of this commission income resulted in an understatement of revenue in the affected periods.

The error has since been corrected, and commission on staff deductions is now properly recognised.

56.4 Fair value adjustment

During the current financial year, errors were identified in the fair valuation of investment properties. These arose due to challenges that were experienced in the capturing of valuation adjustments on the asset management system. The incorrect processing of adjustments led to misstatements in the valuation of certain properties.

In addition, a subsequent review of asset classifications revealed that certain properties had been incorrectly categorized. The reclassification of these assets was necessary to align with the requirements of GRAP 16: Investment Property, GRAP 17: Property, Plant and Equipment, GRAP 12: Inventory and iGRAP 18: Recognition and Derecognition of Land. The amendments to the asset classifications also impacted on the fair value adjustments that were previously recorded, as properties had to be valued in accordance with the appropriate accounting treatment based on their correct classification.

The municipality has corrected these errors in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures have been restated where necessary to reflect the corrected fair values and proper classification of the affected properties.

56.5 Availability charges - electricity

During the current financial year, it was identified that the municipality had been incorrectly raising availability charges for electricity on municipal-owned properties in the prior reporting periods. Municipal-owned properties are not subject to availability charges in the same manner as consumer accounts, and therefore these charges did not meet the recognition criteria in terms of GRAP 23: Revenue from Non-Exchange Transactions.

The incorrect recognition of such availability charges resulted in an overstatement of revenue in the affected periods. An exercise was undertaken to identify the affected properties and the related transactions. These charges were subsequently reversed to ensure that revenue is fairly stated.

56.6 Property rates by usage

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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56. Prior year adjustments (continued)

During the current financial year, it was identified that the municipality had been incorrectly raising property rates on municipal-owned properties in the prior reporting periods. Municipal-owned properties are not subject to property rates in the same manner as consumer accounts, and therefore these charges did not meet the recognition criteria in terms of GRAP 23: Revenue from Non-Exchange Transactions.

The incorrect recognition of such property rates resulted in an overstatement of revenue in the affected period. An exercise was undertaken to identify the affected properties and the related transactions. These charges were subsequently reversed to ensure that revenue is fairly stated.

56.7 Fines, penalties and forfeits

During the financial year it was identified that the traffic fine entries were updated in the prior year, resulting in a change to the opening balances for traffic fines on the audit dump. These transactions were subsequently updated on the financial system to ensure the traffic fine report and the financial system are in balance.

56.8 Interest earned from receivables

It was identified during the current financial year that interest charges relating to municipal-owned property billing had been incorrectly raised in prior reporting periods. Municipal-owned properties are not subject to interest charges on outstanding balances, as these do not represent external receivables in terms of the applicable legislation and accounting standards. An exercise was undertaken to identify the affected transactions, and all interest previously raised on municipal-owned property billing has been reversed.

In addition to the reversal of incorrectly raised interest on municipal-owned properties, a reclassification was made between revenue categories. Amounts previously recognised under 'Property Rates – Penalties Imposed' were reclassified to 'Interest Earned from Receivables.' This adjustment was necessary to ensure proper presentation in accordance with GRAP 9: Revenue from Exchange Transactions, as these amounts represent interest income on overdue receivable balances rather than penalties on property rates.

56.9 Employee related cost

During the current financial year, it was identified that ward committee expenditure had been incorrectly classified in the prior reporting period as employee-related costs. In terms of GRAP 25: Employee Benefits and guidance from National Treasury in terms of the mSCOA Chart and AFS Specimen, payments to ward committee members do not meet the definition of employee costs, as ward committee members are not employees of the municipality. Such expenditure is instead regarded as general operating expenditure. Accordingly, ward committee expenditure has been reclassified from employee-related costs to general expenditure. This reclassification has been processed in line with GRAP 1: Presentation of Financial Statements, to ensure the fair presentation and consistency of classification.

During the current financial year, incorrect postings were identified in the course of undertaking the salary control account reconciliation. These postings resulted in misstatements between employee-related costs and the associated control accounts in the prior period. The errors arose from incorrect allocations during the processing of payroll transactions, which led to imbalances in the salary control account.

The municipality has subsequently corrected these errors to ensure that the salary control account properly reconciles to the payroll records and the general ledger. The correction has been accounted for in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors.

56.10 Remuneration of Councillors

During the current financial year, incorrect postings were identified in the course of undertaking the salary control account reconciliation. These postings resulted in misstatements between the remuneration of Councillor costs and the associated control accounts in the prior period. The errors arose from incorrect allocations during the processing of payroll transactions, which led to imbalances in the salary control account.

The municipality has subsequently corrected these errors to ensure that the salary control account properly reconciles to the payroll records and the general ledger. The correction has been accounted for in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors.

56.11 Inventory consumed

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

56. Prior year adjustments (continued)

A subsequent review of asset classifications revealed that certain properties had been incorrectly categorised in prior reporting periods. The reclassification of these assets was required to ensure alignment with the requirements of GRAP 16: Investment Property, GRAP 17: Property, Plant and Equipment, GRAP 12: Inventories, and iGRAP 18: Recognition and Derecognition of Land. This reclassification also impacted on the recognition of inventory consumed as expenditure. Properties that had previously been treated as inventory for sale were incorrectly expensed through 'inventory consumed expenditure' when they should have been recognised as either investment property or property, plant and equipment. The correction required the reversal of the previously recognised inventory consumed expenditure and the correct classification of such properties in accordance with their nature and intended use.

56.12 Debt impairment

An error was identified in the calculation of debt impairment in the prior reporting period, which has subsequently been corrected. The error arose from the incorrect application of the impairment calculation to certain categories of receivables, resulting in misstatements in the provision for debt impairment.

In addition, the reversal of debt previously billed to municipal-owned properties required a reassessment of the debt impairment provision. Since municipal-owned properties are not valid debtors, the related receivables did not qualify for impairment testing. The correction resulted in the removal of the incorrectly recognised impairment on these balances, ensuring that the debt impairment provision reflects only valid external receivables.

56.13 Depreciation and amortisation

During the current financial year, it was identified that certain assets with zero carrying values had remained in the asset register without being reassessed for useful life in prior reporting periods. In terms of GRAP 17: Property, Plant and Equipment, entities are required to review the useful lives, residual values, and depreciation methods of assets at least at each reporting date.

The omission of this reassessment resulted in assets remaining recorded in the register at a nil value, even though they continued to be in use and provided service potential to the municipality.

The municipality has since corrected this error by reassessing the useful lives of the affected assets and recognizing adjustments where appropriate.

56.14 Contracted services

During the current financial year, errors were identified in the processing of invoices during the undertaking of the creditor's reconciliation. Certain invoices had been incorrectly accounted for in the prior reporting period, which resulted in misstatements in the trade and other payables balance and corresponding expenditure.

The municipality has corrected these errors to ensure that all invoices are accurately reflected in the creditor's reconciliation and are properly recorded in the general ledger. The correction has been processed in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors.

56.15 Transfers and subsidies

During the current financial year, errors were identified in the processing of invoices during the undertaking of the creditor's reconciliation. Certain invoices had been incorrectly accounted for in the prior reporting period, which resulted in misstatements in the trade and other payables balance and corresponding expenditure.

The municipality has corrected these errors to ensure that all invoices are accurately reflected in the creditors reconciliation and are properly recorded in the general ledger. The correction has been processed in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors.

56.16 Lease rental on operating leases

During the current financial year, it was identified that accruals relating to June 2024 rental expenditure had not been processed in the prior financial year. In terms of GRAP 19: Provisions, Contingent Liabilities and Contingent Assets, and GRAP 1: Presentation of Financial Statements, expenditure must be recognised in the period in which the related goods or services are consumed, regardless of when payment is made. The error has since been corrected in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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56. Prior year adjustments (continued)

56.17 Loss on disposal of fixed and intangible assets

During the current financial year, it was identified that losses on the disposal of assets had not been correctly recorded in prior reporting periods. This was specifically linked to land adjustments arising from the reclassification of properties between Property, Plant and Equipment (PPE), Investment Property, and Inventory.

On review, certain properties were incorrectly categorised and, in some cases, remained in the asset register even though they no longer met the recognition criteria in terms of GRAP 17: Property, Plant and Equipment, GRAP 16: Investment Property, GRAP 12: Inventories, and iGRAP 18: Recognition and Derecognition of Land. The disposals and derecognitions required the restatement of the associated losses to ensure that they were fairly presented in the Statement of Financial Performance.

56.18 Operational Cost

During the current financial year, it was identified that ward committee expenditure had been incorrectly classified in the prior reporting period as employee-related costs. In terms of GRAP 25: Employee Benefits and guidance from National Treasury in terms of the mSCOA Chart and AFS Specimen, payments to ward committee members do not meet the definition of employee costs, as ward committee members are not employees of the municipality. Such expenditure is instead regarded as general operating expenditure. Accordingly, ward committee expenditure has been reclassified from employee-related costs to general expenditure. This reclassification has been processed in line with GRAP 1: Presentation of Financial Statements, to ensure fair presentation and consistency of classification.

Statement of Financial Position

	As previously reported	Prior period error that occurred prior to 01 July 2023	Prior period errors restating the 2023/24 movements	Re- classification	Restated	Reason for diff. (Ref. note)
Assets						
Current assets						
Cash and cash equivalents	560 534 966	-	378 294	-	560 913 260	56.19
Trade and other receivables from exchange transactions	134 206 979	1 556 171	(11 203 594)	-	124 559 556	56.20
Receivables from non-exchange transactions	305 904 337	(3 748 120)	(59 852 102)	-	242 304 115	56.21
Inventory	58 511 247	24 658 958	-	-	83 170 205	56.22
	1 059 157 529	22 467 009	(70 677 402)	-	1 010 947 136	
Non-current assets						
Investment property	915 602 790	(376 184 679)	(118 280 990)	-	421 137 121	56.23
Property, plant and equipment	1 644 471 312	37 255 882	(745 375)	-	1 680 981 819	56.24
Intangible assets	844 336	37 945	(12 672)	-	869 609	56.25
Heritage assets	21 400 526	(5 444 000)	-	-	15 956 526	56.31
Eskom Deposits	3 299 830	-	-	-	3 299 830	
	2 585 618 794	(344 334 852)	(119 039 037)	-	2 122 244 905	
Total assets	3 644 776 323	(321 867 843)	(189 716 439)	-	3 133 192 041	
Liabilities						
Current liabilities						
Financial liabilities	914 667	-	-	-	914 667	
Consumer deposits	21 752 156	-	-	-	21 752 156	
Trade and other payables from exchange transactions	213 609 190	(427 440)	(3 054 968)	-	210 126 782	56.26
Trade and other payables from non- exchange transactions	51 310 605	-	-	-	51 310 605	
Defined benefit obligations	-	-	-	3 747 000	3 747 000	56.28

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025				2024	
56. Prior year adjustments (continued)						
Employee benefit obligations	7 079 000	-	-	(7 079 000)	-	56.30
Provisions	4 614 604	15 551 695	14 527 211	3 332 000	38 025 510	56.27
	299 280 222	15 124 255	11 472 243	-	325 876 720	
Non-current liabilities						
Financial liabilities	1 598 491	-	-	-	1 598 491	
Provisions	91 066 947	(2 864 698)	-	19 528 000	107 730 249	56.27
Defined benefit obligations	76 688 999	-	-	(19 528 000)	57 160 999	56.28
	169 354 437	(2 864 698)	-	-	166 489 739	
Total liabilities	468 634 659	12 259 557	11 472 243	-	492 366 459	
Community Wealth / Equity						
Housing development fund	53 022 365	-	-	-	53 022 365	
Accumulated surplus	3 123 119 318	(334 203 295)	(201 112 792)	-	2 587 803 231	56.29
Total Community Wealth / Equity	3 176 141 683	(334 203 295)	(201 112 792)	-	2 640 825 596	

56.19 Cash and cash equivalent

During the current financial year, it was identified that a payment had been processed in the municipality's cash book for release. However, the transaction was not authorised on the bank as the service provider had not completed the contracted work. As a result, the transaction was incorrectly recorded as an expense and creditor settlement in the prior period, even though no actual outflow of resources had occurred.

The correction has been accounted for in terms of GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures have been restated to remove the incorrect expense and reinstate the creditor balance.

56.20 Trade and other receivables from exchange transactions

During the current financial year, it was identified that the municipality had been incorrectly raising service charges on municipal-owned properties in prior reporting periods. These charges did not meet the recognition criteria in terms of GRAP 9: Revenue from Exchange Transactions, as municipal-owned properties are not subject to service charges in the same manner as consumer accounts.

The incorrect recognition of these charges resulted in an overstatement of revenue as well as overstatement of trade and other receivables from exchange transactions in the affected periods. An exercise was undertaken to identify the affected municipal-owned properties, and the related transactions were subsequently reversed.

The correction has been processed in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures have been restated where necessary to reflect the corrected balances.

The Municipality had incorrectly impaired debt as a group impairment calculation. This has now been adjusted and the debt is individually impaired in line with the methodology that was used.

56.21 Receivables from non-exchange transactions

During the current financial year, it was identified that the municipality had been incorrectly raising property rates on municipal-owned properties in prior reporting periods. Municipal-owned properties are not subject to property rates in the same manner as consumer accounts, and therefore these transactions did not meet the recognition criteria in terms of GRAP 23: Revenue from Non-Exchange Transactions.

The incorrect recognition of such property rates resulted in an overstatement of revenue from Non-Exchange Transactions and a corresponding overstatement of receivables from Non-Exchange Transactions in the affected periods. An exercise was undertaken to identify the affected municipal-owned properties and the related transactions. These amounts were subsequently reversed to ensure that both receivables and revenue are fairly stated.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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56. Prior year adjustments (continued)

The correction has been accounted for in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures have been restated where necessary to reflect the corrected balances.

56.22 Inventory

A subsequent review of asset classifications revealed that certain properties had been incorrectly categorised in prior reporting periods. The reclassification of these assets was required to ensure alignment with the requirements of GRAP 16: Investment Property, GRAP 17: Property, Plant and Equipment, GRAP 12: Inventories, and iGRAP 18: Recognition and Derecognition of Land.

This review impacted the recognition of inventory and related expenditure. Properties that had previously been treated as inventory for sale were incorrectly expensed through 'inventory consumed expenditure,' when in fact they should have been recognised as either Investment Property or Property, Plant and Equipment, depending on their nature and intended use. The correction required the reversal of the previously recognised Inventory Consumed expenditure and the Restatement of Assets under the appropriate categories.

In addition, the review identified properties that no longer met the recognition criteria in terms of iGRAP 18. These properties were disposed of or derecognised, as the municipality no longer controlled them, or they did not meet the definition of an asset. The disposals and derecognition were accounted for by removing the affected properties from the asset register and recognising the adjustment through accumulated surplus.

These corrections and disposals have been accounted for in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures have been restated where necessary to reflect the corrected balances for inventory, expenditure, and property classifications.

56.23 Investment property

During the current financial year, errors were identified in the fair valuation of Investment Properties. These arose due to challenges that were experienced in capturing valuation adjustments on the asset management system. The incorrect processing of these adjustments led to misstatements in the valuation of certain properties.

In addition, a subsequent review of asset classifications revealed that certain properties had been incorrectly categorised in prior reporting periods. The reclassification of these assets was necessary to ensure alignment with the requirements of GRAP 16: Investment Property, GRAP 17: Property, Plant and Equipment, GRAP 12: Inventories, and iGRAP 18: Recognition and Derecognition of Land. The amendments to the asset classifications also impacted previously recorded fair value adjustments, as properties had to be valued in accordance with the appropriate accounting treatment based on their correct classification.

The municipality has corrected these errors in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures have been restated where necessary to reflect the corrected fair values and proper classification of the affected properties.

56.24 Property, plant and equipment

During the current financial year, errors were identified in the accounting for Property, Plant and Equipment (PPE). As part of the asset verification process, assets that had previously not been recorded in the asset register were identified and taken on, resulting in an increase to the PPE balance.

In addition, a subsequent review of asset classifications revealed that certain land parcels had been incorrectly categorised in prior reporting periods. The reclassification of this land was required to ensure alignment with the requirements of GRAP 17: Property, Plant and Equipment, GRAP 16: Investment Property, GRAP 12: Inventories, and iGRAP 18: Recognition and Derecognition of Land. This reclassification impacted both the PPE and investment property balances, as properties had to be recognised in accordance with their correct classification and appropriate accounting treatment.

The municipality has corrected these errors in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures have been restated where necessary to reflect the corrected balances.

56.25 Intangible Asset

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

56. Prior year adjustments (continued)

During the current financial year, Intangible Assets that had not previously been recorded were identified during the verification process. These assets included software licences and other identifiable non-monetary assets without physical substance that met the recognition criteria of GRAP 31: Intangible Assets.

The omission of these assets in prior reporting periods resulted in an understatement of Intangible Assets and accumulated surplus. The assets have now been recognised at their appropriate carrying amounts, in line with GRAP 31 measurement requirements.

The correction has been accounted for in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures have been restated where necessary to reflect the inclusion of these Intangible Assets.

56.26 Trade and other payables from exchange transactions

During the current financial year, errors were identified in the accounting for Trade and Other Payables from Exchange Transactions. These arose from incorrect processing of invoices and omissions identified during the creditor's reconciliation in prior reporting periods. Certain invoices had either been incorrectly recorded or not accounted for at all, resulting in misstatements of expenditure and liabilities.

The municipality has subsequently corrected these errors to ensure that payables are accurately recorded and reconciled to underlying supporting documentation. The correction has been processed in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures have been restated where necessary to reflect the corrected balances.

56.27 Provision

During the current financial year, it was identified that the municipality had classified the Long Service Awards obligation as Employee Benefit obligations in prior reporting periods. In terms of GRAP 25: Employee Benefits, Long Service Awards fall under the category of Other Long-Term Employee benefits. In addition, the mSCOA specimen issued by National Treasury aligns the Long Service Awards to be classified under Provisions in the Statement of Financial Position.

The classification was amended to align with the mSCOA specimen, which separates Defined Benefit Obligations and Provisions in the prior year Annual Financial Statements. The municipality has corrected this error in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors.

Additionally, a provision has been retrospectively raised in respect of water accounts under dispute with the uThukela District Municipality for the financial years 2022/23, 2023/24 and 2024/25. These amounts represent charges raised by the uThukela District Municipality against the Municipality, which are currently in dispute due to billing inaccuracies. Although the Municipality continues to contest the accuracy and validity of the amounts charged, management has determined that a present obligation exists as at the reporting date, and that it is probable that an outflow of resources embodying economic benefits or service potential may be required to settle the obligation.

56.28 Defined benefit obligation

During the current financial year, it was identified that the municipality had classified Defined Benefit Obligation as post-retirement medical aid in employee benefit obligations in prior reporting periods. In terms of GRAP 25: Employee Benefits, long service awards fall under the category of Other Long-Term Employee Benefits. In addition, the mSCOA specimen issued by National Treasury aligns the Long Service Awards to be classified under Provisions in the Statement of Financial Position.

The classification was amended to align with the mSCOA specimen, which separates Defined Benefit Obligations and Provisions in the prior year Annual Financial Statements. The municipality has corrected this error in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors.

56.29 Accumulated surplus

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

56. Prior year adjustments (continued)

During the current financial year, several errors relating to prior reporting periods were identified and corrected in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors. These corrections affected revenue, receivables, payables, property, plant and equipment, and accumulated surplus. Comparative figures have been restated where necessary to reflect the corrected balances.

It was identified that service charges had been incorrectly raised on municipal-owned properties, which resulted in an overstatement of revenue and Receivables from Exchange Transactions. These charges were subsequently reversed to align with the requirements of GRAP 9. Similarly, property rates had been incorrectly billed to municipal-owned properties, which led to an overstatement of revenue from Non-Exchange Transactions and Receivables from Non-Exchange Transactions. These transactions were also reversed to ensure compliance with GRAP 23.

In addition to revenue-related corrections, errors were identified in the accounting for Property, Plant and Equipment. Assets that had not previously been recorded were identified during the verification process and added to the asset register. Furthermore, a review of asset classifications revealed that certain land parcels had been incorrectly categorised in Prior Reporting periods. The reclassification of these assets was necessary to ensure alignment with the requirements of GRAP 17, GRAP 16, GRAP 12, and iGRAP 18. These adjustments impacted both PPE, investment property, inventory and heritage assets balances.

Errors were also identified in the processing of invoices and omissions during the creditors reconciliation, which resulted in misstated expenditure and liabilities. These have been corrected to ensure that Trade and Other Payables are accurately recorded and reconciled to supporting documentation. The cumulative effect of these corrections impacted Accumulated Surplus.

56.30 Employee benefit obligations

Previously, the municipality classified both the Defined Benefit Obligation for Post-Retirement Medical Aid and the provision for Long Service Awards under a single disclosure note for Employee Benefit Obligations. On reassessment, it was identified that this treatment was not in line with GRAP 25: Employee Benefits and the mSCOA specimen issued by National Treasury.

In terms of GRAP 25, Post-Retirement Medical Aid qualifies as a Defined Benefit Obligation and must be disclosed under employee benefit obligations. Long service awards, however, fall under Other Long-Term Employee Benefits and, in accordance with the mSCOA specimen, are required to be classified and disclosed under Provisions.

The municipality has therefore re-classified the combined note by splitting the disclosure into two separate notes: one for Defined Benefit Obligations (Post-Retirement Medical Aid) and another for Provisions (Long Service Awards). The correction has been processed in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures have been restated as required.

56.31 Heritage

During the current financial year, it was identified that certain Heritage Assets had been incorrectly classified in prior reporting periods. On further assessment, these assets did not meet the definition of Heritage Assets in terms of GRAP 103: Heritage Assets, as they are used for service delivery purposes rather than being held for cultural, environmental, or historical significance.

Accordingly, the affected properties were reclassified to land within Property, Plant and Equipment (PPE) to ensure alignment with the requirements of GRAP 17: Property, Plant and Equipment. This reclassification resulted in an adjustment to the balances previously reported under heritage assets and PPE.

The municipality has corrected this error in accordance with GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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57. Unauthorised, irregular, fruitless and wasteful expenditure

57.1 Unauthorised expenditure

Opening balance as previously reported	11 862 870	7 200 898
Add: Unauthorised expenditure – current	118 242 488	11 862 870
Less: Amounts written-off – current	-	(7 200 898)
Less: Amounts written-off – prior period	(11 862 870)	-
Closing balance	118 242 488	11 862 870

Analysed as follows: non-cash

Unwinding interest on landfill site rehabilitation provision	-	4 823 135
Irrecoverable Debt Write Off	1 680 743	-
Debt Impairment	116 561 745	-
	118 242 488	4 823 135

Analysed as follows: cash

Contracted services - security expenditure	-	7 039 736
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Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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57. Unauthorised, irregular, fruitless and wasteful expenditure (continued)

2024/2025 Incidents

Debt Impairment: The Municipality in terms of its Impairment methodology specifically excluded Government Debt categories from impairment as the Municipality deemed government debt low risk and was actively engaging with government organizations and stakeholders to recover outstanding debt. However, it was found that there was long outstanding Government debt which created doubt on the recovery of these accounts. The municipality had to then re-assess Government debt and impair accordingly.

The Municipality had incorrectly impaired debt as a group impairment calculation. This has now been adjusted and the debt is individually impaired in line with the methodology.

Irrecoverable Debt Write Off: The Municipality when assessing its debtors for write-off had written-off a high value of prescribed service (Refuse) debt which is under the Department of Community services, which was more than estimated.

2023/2024 Incidents

The municipality incurred unauthorised expenditure of R11 862 870 for the 2023/2024 financial year in respect of security costs. The unauthorised expenditure of R11 862 870 for the 2023/2024 financial year was referred for investigation in accordance with Section 32 of the MFMA and was written off by Council on the 26th February 2025.

An amount of R4 823 135 was due to unwinding of interest on landfill site provision which is non-cash in nature of which is only finalised during the preparation of the Annual Financial statement when the expect report is received.

An amount of R 7 039 736 which was cash in nature was due to security expenditure due to the following:

1. Vandalism at recently renovated municipal facilities, electrical switch houses and sub-stations, including damage or theft of municipal assets, has led to the assignment of security personnel to protect these assets.
2. Provision of Close Protection to Councillors and Officials whilst awaiting the Threat Assessments from the Provincial Commissioner's Office of the South African Police Services (SAPS) in terms of the Council approved Municipal Councillors/Officials Office Bearer Policy.
3. Delays in receiving SAPS Security Threat Assessment reports have resulted in interim security being allocated for Councillors or Officials to ensure their safety, as such imminent and life-threatening threats cannot be confirmed or dismissed without official SAPS reports.

Cost Cutting Measures

1. Additional Security Measures (CCTV Surveillance Cameras) were installed at the sub-stations and the quantity of securityguarding these sites was reduced due to municipal Security Budget constraints being experienced with the agreement that services would still be required on an as-and-when-required basis.
2. The Department of Public Safety and Emergency Services has sought help from the Department of Co-Operative Governance and Traditional Affairs to address overdue reports and improve the timeliness of future reports. The issue was also raised with the National Commissioner of Police. Due to insufficient responses, our Honourable Mayor has now written a letter to the Office of the KZN Premier for further assistance.
3. Internal Security Access Control Officers were appointed at various municipal sites effective from July 2024 in order to reduce Contracted Security Services costs.

The amount of R11 862 870 has already been referred by the Accounting Officer to Internal Audit for investigation in terms of Section 32 of the Municipal Finance Management Act.

The amount of R30 811 for fruitless and wasteful expenditure will also be investigated in terms of Section 32 of the Municipal Finance Management Act.

An amount of R7 200 898 was incurred as a result of non-cash and cash items being processed in the finalisation of the Annual Financial Statements for the 2022/2023 financial year. This was referred for investigation in accordance with section 32 of the MFMA and has been written of by Council during the 2023/2024 financial year.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
57. Unauthorised, irregular, fruitless and wasteful expenditure (continued)		
57.2 Irregular expenditure		
Opening balance as previously reported	2 313 611	1 493 247
Add: Irregular expenditure - current	861 291	2 313 611
Less: Amounts written-off – current	(861 291)	(1 493 247)
Less: Amounts written-off – prior period	(2 313 611)	-
Closing balance	-	2 313 611

2024/2025

An amount of R861 291 was identified to be irregular expenditure in the current financial year. The amount of R582 161.09 was a finding that was raised by the Auditor- General in the 2023/2024 Financial Year. This was as a result of non-compliance with the Supply Chain Management Regulations. Points were incorrectly awarded in terms of service providers who were registered/ not registered for VAT. Based on the definition of "price", amounts should include all applicable taxes, including VAT.

The amount of R582 161.09 was investigated and an item was submitted to Council in May 2025 to write off this expenditure (LC20/05/2025).

An amount of R91 002.02 was paid to Ilanga Newspaper for an advertisement placed in the Ilanga Newspaper without following the Supply Chain Management processes.

The amount of R91 002.02 was investigated and an item was submitted to Council in February 2025 to write off this expenditure (LC16/02/2025).

An amount of R188 128.01 was paid to Justin Heunis Attorney on behalf of Dave's Panel beaters for services rendered pursuant to an unlawful tender process.

The amount of R188 128.01 was investigated and an item was submitted to Council in May 2025 to write of this expenditure (LC20/05/2025).

The amount of R2 313 611 was investigated and an item was submitted to Council in May 2025 to write off this expenditure (LC20/05/2025).

2023/2024

An amount of R2 313 611 was identified to be irregular expenditure during the audit process of the 2023/2024 financial year. It must be highlighted that there was a financial gain and not a financial loss to the Municipality by awarding service providers who are registered vendors for Value Added Tax (VAT) as the Municipality can always claim the VAT back from the South African

Revenue Services. Should the Municipality have awarded the non-registered VAT vendors, it will result in an outflow of cash resources noting that the VAT cannot be claimed from SARS.

The amount of R1 493 246.88 was investigated and an item was submitted to Council in May 2024 to write off this expenditure.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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57. Unauthorised, irregular, fruitless and wasteful expenditure (continued)

57.3 Fruitless and wasteful expenditure

Opening balance as previously reported	13 162	899 250
Add: Fruitless and wasteful expenditure – current	574 744	30 811
Less: Amount recoverable – current	(40)	(21 762)
Less: Amounts written-off – current	-	(892 791)
Less: Amounts written-off – prior period	-	(2 346)
Closing balance	587 866	13 162

2024/2025 Incidents

Interest and penalties was incurred due to late payments that were made to SARS. This is currently being investigated in terms of section 32 of the MFMA

An amount of R69 178 was incurred as the employee was not removed on the payroll system after the contract terminated. This is currently being investigated in terms of section 32 of the MFMA.

2023/2024 Incidents

Interest was incurred due to late payments that were made. This is currently being investigated in terms of section 32 of the MFMA.

The fruitless and wasteful expenditure in the amount of R892 791 {Winwater (Pty) LTD} was written off by Council in July 2024 (LC 18/07/2024) .

58. Deviations from SCM regulations - SCM Regulation 36

In terms of section 36 of the municipality SCM regulations, any deviations from SCM policy needs to be approved by the accounting officer and noted by Council. The awards listed below have been approved by the accounting officer and noted by Council.

Quotations	-	12 075
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All deviations considered by the accounting officer are processed in terms of the SCM regulations and the municipality's SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee in terms of the stipulated criteria for emergency procurements and circumstances where it is impractical or not possible to follow the official procedure.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

59. Awards to close family members - SCM Regulation 45

Awards to close family members of persons in the service of Alfred Duma Local Municipality

Supplier name	Employee name	Relationship	Department	2025	2024
Harvey World Travel	Mr TC Madikane	Spouse	Construction Education & Training Authority (CETA)	245 102	195 665
Mivusa Trading (Pty) Ltd	Waseela Asmal	Spouse	Alfred Duma Local Municipality	3 042 840	2 577 666
One Stop Computers	Waseela Asmal	Spouse	Alfred Duma Local Municipality	6 440 561	4 764 495
Nsizi Global Industries	Nerusha Naidoo	Spouse	Alfred Duma Local Municipality	1 157 410	660 840
Dutis Funeral Parlour	Patience Phindile Nduline	Spouse	South African Police Services	-	44 000
Niphile Consulting	Mrs Nokubonga Khoza	Spouse	Department of Social Development	-	49 617 243
Kulungwane Distribution	Duduzile Mgidi	Spouse	City of Tshwane	-	500 359
				10 885 913	58 360 268

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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60. Change in Accounting Estimate

In prior financial years, the Municipality's approved impairment methodology applied impairment to all consumer categories except Government debt. Government debt was excluded from the impairment assessment on the basis that Government institutions were regarded as low-risk debtors and that recovery was being actively managed through inter-governmental engagement.

During the 2024/2025 financial year, management reassessed the recoverability of Government debt due to the prolonged ageing of outstanding balances and delays in settlement. The reassessment indicated that the credit risk associated with Government debt had significantly increased.

As a result, the impairment approach was amended to include Government debt within the impairment calculation for the first time. Government debt was impaired at a rate of 48% in the 2024/2025 financial year, determined based on the average historical collection rate over the previous five financial years.

The effect of the change in the rate for impairment is as follows:

	Old Basis (No Impairment)	New Basis (48% Impairment)
Government Debt	-	84 059 741

61. Additional disclosure in terms of Municipal Finance Management Act

SALGA Contributions

Current year subscription / fee	4 746 728	4 527 792
Amount paid - current year	(4 746 728)	(4 527 792)
Amount approved by the director and noted by council	-	-

Audit fees

Current year subscription / fee	6 459 455	6 286 196
Amount paid - current year	(6 459 455)	(6 286 196)
Amount approved by the director and noted by council	-	-

PAYE, UIF and SDL

Current year subscription / fee	66 741 250	56 752 223
Amount paid - current year	(66 741 250)	(56 752 223)
Amount approved by the director and noted by council	-	-

Pension and Medical deductions

Current year subscription / fee	53 969 302	48 607 035
Amount paid - current year	(53 969 302)	(48 607 035)
Amount approved by the director and noted by council	-	-

Value Added Tax

VAT receivable	23 739 619	20 536 375
VAT payable	14 216 743	4 469 049
Total	37 956 362	25 005 424

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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61. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

	2025			2024		
	Outstanding less than 90 days	Outstanding more than 90 days	Total	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr. LBM Kubheka	305	7 131	7 436	782	8 348	9 130
Cllr. S Makhathini	18	-	18	916	2 556	3 472
Total	323	7 131	7 454	1 698	10 904	12 602

62. Capital commitments

Commitments in respect of capital expenditure:

Approved and contracted for:

Property, plant and equipment	24 328 197	14 444 430
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All capital commitments include VAT.

Already contracted for but provided for

Municipal Infrastructure Grant	-	1 995 933
Municipal Disaster Response Grant	-	7 496 527
Internal Funding	1 770 691	4 951 971
Municipal Disaster Recovery Grant	22 557 506	-
	24 328 197	14 444 431

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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63. Going concern

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the Accounting Officer continue to procure funding for the ongoing operations for the municipality and that the Annual Financial Statements will remain in force for so long as it takes to maintain the solvency of the municipality and sound financial management.

Based on the above, the Annual Financial Statements have been prepared on a going concern as sufficient measures are in place to curb the impact of pandemic.

Repayment of long term debt - The municipality has not defaulted in meeting its obligations to repay its long-term debt, and currently has the same two (2) existing loans.

Grant funding in terms of DoRA - Capital projects as well as operational expenditure are partially funded through gazetted transfers to the municipality to ensure continued operations in terms of budgeted expenditure expenditure for the 2024/2025.

Revenue Enhancement Strategy - The municipality has implemented a Revenue Enhancement Strategy to ensure all money that is due is collected. It must also be noted that the municipality has ongoing incentive drives for ratepayers and consumers to improve revenue collection. Furthermore, the municipality is continuing with the implementation of Credit Control and Legal action to reduce the outstanding debt. The municipality has also adequately budgeted for the provision for bad debts in the 2024/2025 financial year.

Payment Creditors within 30 (thirty) days - The municipality has not defaulted in making creditor payments timeously, except where there are delays in receiving the necessary documents to process payments and delays are experienced with Service Providers who are not adhering to disclosing the correct and required information on invoices submitted.

Payment of Bulk Services - The municipality has not defaulted in paying Eskom for bulk services supplied. All payments are made before the due date.

Cash Flow Monitoring - The municipality prepares monthly cash flow reports to monitor the cash resources in terms of revenue collection and payments. These reports are distributed to key managers to monitor the cash flow of the municipality on an ongoing basis.

Contingent liabilities - The municipality has no significant contingent liabilities that would affect the going concern assumption.

Loss of key management without replacement. No problems were identified in terms of loss of key management.

Changes in legislation. None were identified that would affect the going concern status negatively.

All Unspent Grants funded are **100%** cash-backed.

Cash and Cash Equivalent is sitting at **R617 603 674**.

The current ratio is **1: 2.79** which shows the municipality can be able to honour its obligations.

64. Financial instruments

64.1 Fair value of financial instruments

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the annual financial statements approximate their fair values, except for the listed Government stock. In accordance with GRAP 104 the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of financial position, are as follow:

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

64. Financial instruments (continued)

		2025		2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Amortised cost					
Trade and other receivables from exchange transactions	5	155 629 892	155 629 892	121 785 573	121 785 573
Cash and cash equivalents	4	617 603 674	617 603 674	560 913 260	560 913 260
Total financial assets		773 233 566	773 233 566	682 698 833	682 698 833
Financial liabilities					
Amortised cost					
Unsecured bank facilities:					
Financial liabilities	13	847 164	847 164	1 598 491	1 598 491
Trade and other payables:					
Financial liabilities	13	751 326	751 326	914 667	914 667
Consumer deposits	14	24 696 929	24 696 929	21 752 156	21 752 156
Trade and other payables from exchange transactions	15	246 852 544	246 852 544	210 126 780	210 126 780
		-	-	-	-
Total financial liabilities		273 147 963	273 147 963	234 392 094	234 392 094
Total financial instruments		500 085 603	500 085 603	448 306 739	448 306 739

The Fair Values of Financial Assets and Financial Liabilities are determined as follow:

The Fair Value of Long term liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The fair value of Other Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors.

64.2 Liquidity risk

The Municipality's risk to liquidity is a result of the funds available to cover future commitments. The Municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the Municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undercounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand		2025	2024
64. Financial instruments (continued)			
Liquidity risk			
Financial liabilities	13	1 598 490	2 513 158
Consumer deposits	14	24 696 929	21 752 156
Trade and other payables from exchange transactions	15	246 852 544	210 126 780
		273 147 963	234 392 094

64.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality.

Potential concentrations of credit risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality manages credit risk in its borrowing and investing activities by only dealing with well-established financial institutions of high credit standing, and by spreading its exposure over a range of such institutions in accordance with its approved investment policies. Credit risk relating to consumer debtors is managed in accordance with the municipality's credit control and debt collection policy. The municipality's credit exposure is spread over a large number and wide variety of consumers and is not concentrated in any particular sector or geographical area. Adequate provision has been made for anticipated bad and doubtful debts. Additional information relating to the analysis of consumer debtors is given in the accounting policies and Note 6 to the annual financial statements.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The carrying amount of financial assets recorded in the annual financial statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

Bank and cash balances	4	617 603 674	560 913 260
Trade and other receivables from exchange transactions	5	155 629 892	121 785 573
Maximum credit and interest risk exposure		773 233 566	682 698 833

65. Additional disclosure in terms of the Broad-Based Black Economic Empowerment Act

Information on compliance with the Broad-Based Black Economic Empowerment Act (B-BBEE) is included in the Annual Report under the section titled Employment Equity.

66. Segment reporting

Segment surplus or deficit, assets and liabilities

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

66. Segment reporting (continued)

By vote

2025

	Community Services	Electricity	Public Safety	Public Works and Roads	Solid Waste and Cleansing	Town Planning and LED	Total Allocated	Total Unallocated	Total
Revenue									
Exchange Revenue									
Services charges – Electricity	-	545 491 637	-	-	-	-	545 491 637	2 253 234	547 744 871
Services charges – Waste management	-	-	-	-	35 015 072	-	35 015 072	216 617	35 231 689
Sales of goods and rendering of services	484 016	-	141 896	-	-	433 598	1 059 510	588 976	1 648 486
Agency services	-	-	3 612 152	-	-	-	3 612 152	-	3 612 152
Interest earned from receivables	-	4 774 452	-	-	9 882 975	-	14 657 427	1 666 109	16 323 536
Interest on investments and bank accounts	-	-	-	-	-	-	-	45 037 333	45 037 333
Licence and permits	-	-	3 462 395	-	-	-	3 462 395	563 609	4 026 004
Rental from fixed assets	768 732	-	-	-	-	-	768 732	2 539 975	3 308 707
Operational revenue	711 521	-	266 848	-	-	-	978 369	5 944 126	6 922 495
Fair Value Adjustments	-	-	-	-	-	-	-	23 035 844	23 035 844
Construction contract revenue	-	9 565 217	-	-	-	-	9 565 217	-	9 565 217
Total segment exchange revenue	1 964 269	559 831 306	7 483 291	-	44 898 047	433 598	614 610 511	81 845 823	696 456 334

Annual Financial Statements for the year ended 30 June 2025

Figures in Rand

Expenditure

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

Notes to the Annual Financial Statements

Figures in Rand

66. Segment reporting (continued)

Employee related cost	38 046 401	42 458 109	45 186 982	46 511 672	28 336 635	13 268 105	213 807 904	219 420 181	433 228 085
Remuneration of councillors	-	-	-	-	-	-	-	30 012 600	30 012 600
Bulk purchases	-	458 210 807	-	-	-	-	458 210 807	-	458 210 807
Inventory consumed	6 214 120	12 237 202	8 913 432	6 637 181	1 104 533	129 970	35 236 438	1 893 662	37 130 100
Debt impairment (reversal)	-	(6 675 736)	-	-	(31 752 318)	-	(38 428 054)	115 246 242	76 818 188
Depreciation and Amortisation	12 824 207	7 256 945	4 240 885	44 175 619	3 834 633	35 991	72 368 280	4 870 143	77 238 423
Impairment losses / (reversal) of impairment on cash and non- cash generating assets	-	-	-	-	-	-	-	(1 716 891)	(1 716 891)
Finance Cost	-	71 696	-	-	-	-	71 696	19 253 341	19 325 037
Contracted services	343 068	9 992 797	6 226 011	25 174 135	1 118 139	2 168 592	45 022 742	35 899 302	80 922 044
Transfers and subsidies	-	-	-	-	-	3 640 190	3 640 190	872 986	4 513 176
Irrecoverable debts written off	-	6 659 014	7 557 350	-	68 287 006	-	82 503 370	17 736 783	100 240 153
Lease rentals on operating leases	89 594	44 797	89 594	89 594	-	89 594	403 173	1 041 196	1 444 369
Operational cost	4 653 835	24 768 697	17 126 640	2 985 177	573 642	601 597	50 709 588	62 475 929	113 185 525
Loss on disposal of fixed and intangible assets	-	-	-	589 000	-	-	589 000	963 351	1 552 351
Loss on remeasurement of employee benefits	-	-	-	-	-	-	-	36 807	36 807
Construction contract expenditure	-	9 565 217	-	-	-	-	9 565 217	-	9 565 217
Total segment expenditure	62 171 225	564 589 545	89 340 894	126 162 378	71 502 270	19 934 039	933 700 351	508 005 632	1 441 705 991
Sub-total	(31 782 913)	41 141 044	(72 680 018)	(52 230 851)	45 016 118	(19 499 975)	(90 036 595)	208 751 477	118 714 895
Capital expenditure									
Actual outcome	29 229 103	18 787 803	185 466	65 776 851	1 765 077	-	115 744 299	30 793 261	146 537 560
Total capital expenditure	29 229 103	18 787 803	185 466	65 776 851	1 765 077	-	115 744 299	30 793 261	146 537 560

2024

Alfred Duma Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

66. Segment reporting (continued)

	Community Services	Electricity	Public Safety	Public Works and Roads	Solid Waste and Cleansing	Town Plannin and LED	Total Allocated	Total Unallocated	Total
Revenue									
Exchange Revenue									
Services charges – Electricity	-	511 048 895	-	-	-	-	511 048 895	1 015 021	512 063 916
Services charges – Waste management	-	-	-	-	33 017 044	-	33 017 044	154 030	33 171 074
Sales of goods and rendering of services	439 695	-	283 091	-	-	-	722 786	1 112 792	1 835 579
Agency services	-	-	3 594 996	-	-	-	3 594 996	-	3 594 996
Interest earned from receivables	-	2 531 235	-	-	9 300 809	-	11 832 044	314	11 832 358
Interest on investments and bank accounts	-	-	-	-	-	-	-	42 546 899	42 546 899
Licence and permits	-	-	3 429 231	-	-	-	3 429 231	298 335	3 727 566
Rental from fixed assets	640 475	-	-	-	-	-	640 475	2 556 979	3 197 454
Operational revenue	111 554	2 903	188 123	-	-	-	302 580	4 920 496	5 223 076
Fair Value Adjustments	-	-	-	-	-	-	-	20 967 421	20 967 421
Construction contract revenue	-	1 080 996	-	-	-	-	1 080 996	-	1 080 996
Total segment exchange revenue	1 191 724	514 664 029	7 495 441	-	42 317 853	-	565 669 047	73 572 287	639 241 335

Annual Financial Statements for the year ended 30 June 2025

Figures in Rand

Expenditure

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

Notes to the Annual Financial Statements

Figures in Rand

66. Segment reporting (continued)

Employee related cost	37 020 635	41 026 617	39 918 115	42 376 763	27 769 598	3 389 053	191 500 781	196 082 192	387 582 973
Remuneration of councillors	-	-	-	-	-	-	-	30 785 175	30 785 175
Bulk purchases	-	418 958 457	-	-	-	-	418 958 457	-	418 958 457
Inventory consumed	4 451 904	10 269 659	7 219 085	6 620 582	1 096 987	74 493	29 732 710	1 888 429	31 621 138
Debt impairment (reversal)	-	(7 944 360)	-	-	27 666 930	-	19 722 570	139 694 393	159 416 963
Depreciation and Amortisation	13 414 096	7 586 595	3 368 944	46 108 812	3 680 963	-	74 159 410	9 569 069	83 728 479
Impairment losses / (reversal) of impairment on cash and non- cash generating assets	-	-	-	(23 703)	-	-	(23 703)	-	(23 703)
Finance Cost	-	122 366	-	-	-	-	122 366	17 348 486	17 470 852
Contracted services	680 830	3 374 224	4 222 446	34 769 497	998 400	552 034	44 597 431	51 012 338	95 609 769
Transfers and subsidies	-	-	-	-	-	3 849 258	3 849 258	665 611	4 514 869
Irrecoverable debts written off	-	1 103 520	6 220 950	-	5 768 950	-	13 093 420	6 497 712	19 591 132
Lease rentals on operating leases	89 595	44 797	89 595	89 595	-	44 797	358 379	1 116 341	1 474 720
Operational cost	4 348 569	20 991 244	16 385 279	3 511 795	1 111 043	208 138	46 556 068	62 892 048	109 448 116
Loss on disposal of fixed and intangible assets	-	1 362 057	113 923	176 511	-	-	1 652 491	3 543 646	5 196 137
Loss on remeasurement of employee benefits	-	-	-	-	-	-	-	864 301	864 301
Construction contract expenditure	-	1 080 996	-	-	-	-	1 080 996	-	1 080 996
Total segment expenditure	60 005 629	497 976 172	77 538 337	133 629 852	68 092 871	8 117 773	845 360 634	521 959 741	1 367 320 374
Sub-total	(58 803 997)	43 346 989	(63 222 399)	(26 611 579)	41 764 102	(3 906 674)	(67 433 558)	129 931 463	62 497 911
Capital expenditure									
Actual outcome	48 575 817	24 215 892	1 654 274	32 133 152	-	160 000	106 739 136	28 581 300	135 320 436
Total capital expenditure	48 575 817	24 215 892	1 654 274	32 133 152	-	160 000	106 739 136	28 581 300	135 320 436

KPI ID/ Performance No.	National Key Performance Area	Objectives	Strategy	Key Performance Indicator	KPI Measure	COMPARISON WITH PREVIOUS YEAR 2023/2024				2024/2025 CURRENT YEAR					ACHIEVED- GREEN	NOT ACHIEVED- RED	Portfolios of Entities	Responsible Department	Reason for Variance	Corrective Measures	Word
						2023/2024 (Target)	2023/2024 (Actual)	2023/2024 (Target)	2023/2024 (Actual)	2024/2025 (Reviewed Target)	2024/2025 (Actual)	2024/2025 Budget Allocation	2024/2025 Budget Spent	2024/2025 Budget Spent							
2024/2025/1	Area 1: Economic Development	Implement digital marketing strategy to increase sales by 15% by June 2025.	Implement digital marketing strategy to increase sales by 15% by June 2025.	Percentage of sales growth by June 2025.	Value	15% increase in sales by June 2025.	Achieved 20% increase in sales by June 2024.	15% increase in sales by June 2025.	20% increase in sales by June 2024.	15% increase in sales by June 2025.	20% increase in sales by June 2024.	15% increase in sales by June 2025.	20% increase in sales by June 2024.	15% increase in sales by June 2025.	NOT ACHIEVED	NOT ACHIEVED	15% increase in sales by June 2025.	Department of Marketing	Low budget allocation for digital marketing.	Review budget and increase allocation for digital marketing.	15% increase in sales by June 2025.
2024/2025/2	Area 2: Human Resources	Recruit and train new staff to improve productivity by 10% by June 2025.	Recruit and train new staff to improve productivity by 10% by June 2025.	Percentage of staff productivity by June 2025.	Value	10% increase in staff productivity by June 2025.	Achieved 12% increase in staff productivity by June 2024.	10% increase in staff productivity by June 2025.	12% increase in staff productivity by June 2024.	10% increase in staff productivity by June 2025.	12% increase in staff productivity by June 2024.	10% increase in staff productivity by June 2025.	12% increase in staff productivity by June 2024.	10% increase in staff productivity by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% increase in staff productivity by June 2025.	Department of Human Resources	Low budget allocation for staff training.	Review budget and increase allocation for staff training.	10% increase in staff productivity by June 2025.
2024/2025/3	Area 3: Financial Management	Reduce operational costs by 5% by June 2025.	Reduce operational costs by 5% by June 2025.	Percentage of cost reduction by June 2025.	Value	5% reduction in operational costs by June 2025.	Achieved 7% reduction in operational costs by June 2024.	5% reduction in operational costs by June 2025.	7% reduction in operational costs by June 2024.	5% reduction in operational costs by June 2025.	7% reduction in operational costs by June 2024.	5% reduction in operational costs by June 2025.	7% reduction in operational costs by June 2024.	5% reduction in operational costs by June 2025.	NOT ACHIEVED	NOT ACHIEVED	5% reduction in operational costs by June 2025.	Department of Finance	Low budget allocation for cost reduction.	Review budget and increase allocation for cost reduction.	5% reduction in operational costs by June 2025.
2024/2025/4	Area 4: Customer Service	Improve customer satisfaction score by 10% by June 2025.	Improve customer satisfaction score by 10% by June 2025.	Customer satisfaction score by June 2025.	Value	10% increase in customer satisfaction score by June 2025.	Achieved 12% increase in customer satisfaction score by June 2024.	10% increase in customer satisfaction score by June 2025.	12% increase in customer satisfaction score by June 2024.	10% increase in customer satisfaction score by June 2025.	12% increase in customer satisfaction score by June 2024.	10% increase in customer satisfaction score by June 2025.	12% increase in customer satisfaction score by June 2024.	10% increase in customer satisfaction score by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% increase in customer satisfaction score by June 2025.	Department of Customer Service	Low budget allocation for customer service.	Review budget and increase allocation for customer service.	10% increase in customer satisfaction score by June 2025.
2024/2025/5	Area 5: Environmental Sustainability	Implement green initiatives to reduce carbon footprint by 10% by June 2025.	Implement green initiatives to reduce carbon footprint by 10% by June 2025.	Percentage of carbon footprint reduction by June 2025.	Value	10% reduction in carbon footprint by June 2025.	Achieved 12% reduction in carbon footprint by June 2024.	10% reduction in carbon footprint by June 2025.	12% reduction in carbon footprint by June 2024.	10% reduction in carbon footprint by June 2025.	12% reduction in carbon footprint by June 2024.	10% reduction in carbon footprint by June 2025.	12% reduction in carbon footprint by June 2024.	10% reduction in carbon footprint by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% reduction in carbon footprint by June 2025.	Department of Environmental Sustainability	Low budget allocation for green initiatives.	Review budget and increase allocation for green initiatives.	10% reduction in carbon footprint by June 2025.
2024/2025/6	Area 6: Technology Innovation	Develop new technology products to increase revenue by 10% by June 2025.	Develop new technology products to increase revenue by 10% by June 2025.	Percentage of new technology products revenue by June 2025.	Value	10% increase in new technology products revenue by June 2025.	Achieved 12% increase in new technology products revenue by June 2024.	10% increase in new technology products revenue by June 2025.	12% increase in new technology products revenue by June 2024.	10% increase in new technology products revenue by June 2025.	12% increase in new technology products revenue by June 2024.	10% increase in new technology products revenue by June 2025.	12% increase in new technology products revenue by June 2024.	10% increase in new technology products revenue by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% increase in new technology products revenue by June 2025.	Department of Technology Innovation	Low budget allocation for technology innovation.	Review budget and increase allocation for technology innovation.	10% increase in new technology products revenue by June 2025.
2024/2025/7	Area 7: Community Engagement	Engage with local community to improve brand image by 10% by June 2025.	Engage with local community to improve brand image by 10% by June 2025.	Percentage of community engagement by June 2025.	Value	10% increase in community engagement by June 2025.	Achieved 12% increase in community engagement by June 2024.	10% increase in community engagement by June 2025.	12% increase in community engagement by June 2024.	10% increase in community engagement by June 2025.	12% increase in community engagement by June 2024.	10% increase in community engagement by June 2025.	12% increase in community engagement by June 2024.	10% increase in community engagement by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% increase in community engagement by June 2025.	Department of Community Engagement	Low budget allocation for community engagement.	Review budget and increase allocation for community engagement.	10% increase in community engagement by June 2025.
2024/2025/8	Area 8: Supply Chain Management	Optimize supply chain to reduce costs by 5% by June 2025.	Optimize supply chain to reduce costs by 5% by June 2025.	Percentage of supply chain cost reduction by June 2025.	Value	5% reduction in supply chain costs by June 2025.	Achieved 7% reduction in supply chain costs by June 2024.	5% reduction in supply chain costs by June 2025.	7% reduction in supply chain costs by June 2024.	5% reduction in supply chain costs by June 2025.	7% reduction in supply chain costs by June 2024.	5% reduction in supply chain costs by June 2025.	7% reduction in supply chain costs by June 2024.	5% reduction in supply chain costs by June 2025.	NOT ACHIEVED	NOT ACHIEVED	5% reduction in supply chain costs by June 2025.	Department of Supply Chain Management	Low budget allocation for supply chain optimization.	Review budget and increase allocation for supply chain optimization.	5% reduction in supply chain costs by June 2025.
2024/2025/9	Area 9: Legal Compliance	Ensure compliance with all legal regulations by June 2025.	Ensure compliance with all legal regulations by June 2025.	Percentage of legal compliance by June 2025.	Value	100% compliance with all legal regulations by June 2025.	Achieved 100% compliance with all legal regulations by June 2024.	100% compliance with all legal regulations by June 2025.	100% compliance with all legal regulations by June 2024.	100% compliance with all legal regulations by June 2025.	100% compliance with all legal regulations by June 2024.	100% compliance with all legal regulations by June 2025.	100% compliance with all legal regulations by June 2024.	100% compliance with all legal regulations by June 2025.	NOT ACHIEVED	NOT ACHIEVED	100% compliance with all legal regulations by June 2025.	Department of Legal Compliance	Low budget allocation for legal compliance.	Review budget and increase allocation for legal compliance.	100% compliance with all legal regulations by June 2025.
2024/2025/10	Area 10: Health and Safety	Implement health and safety measures to reduce accidents by 10% by June 2025.	Implement health and safety measures to reduce accidents by 10% by June 2025.	Percentage of health and safety measures by June 2025.	Value	10% reduction in health and safety accidents by June 2025.	Achieved 12% reduction in health and safety accidents by June 2024.	10% reduction in health and safety accidents by June 2025.	12% reduction in health and safety accidents by June 2024.	10% reduction in health and safety accidents by June 2025.	12% reduction in health and safety accidents by June 2024.	10% reduction in health and safety accidents by June 2025.	12% reduction in health and safety accidents by June 2024.	10% reduction in health and safety accidents by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% reduction in health and safety accidents by June 2025.	Department of Health and Safety	Low budget allocation for health and safety measures.	Review budget and increase allocation for health and safety measures.	10% reduction in health and safety accidents by June 2025.
2024/2025/11	Area 11: Quality Control	Implement quality control measures to improve product quality by 10% by June 2025.	Implement quality control measures to improve product quality by 10% by June 2025.	Percentage of product quality improvement by June 2025.	Value	10% increase in product quality by June 2025.	Achieved 12% increase in product quality by June 2024.	10% increase in product quality by June 2025.	12% increase in product quality by June 2024.	10% increase in product quality by June 2025.	12% increase in product quality by June 2024.	10% increase in product quality by June 2025.	12% increase in product quality by June 2024.	10% increase in product quality by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% increase in product quality by June 2025.	Department of Quality Control	Low budget allocation for quality control measures.	Review budget and increase allocation for quality control measures.	10% increase in product quality by June 2025.
2024/2025/12	Area 12: Data Analytics	Implement data analytics to improve decision making by 10% by June 2025.	Implement data analytics to improve decision making by 10% by June 2025.	Percentage of data analytics improvement by June 2025.	Value	10% increase in data analytics improvement by June 2025.	Achieved 12% increase in data analytics improvement by June 2024.	10% increase in data analytics improvement by June 2025.	12% increase in data analytics improvement by June 2024.	10% increase in data analytics improvement by June 2025.	12% increase in data analytics improvement by June 2024.	10% increase in data analytics improvement by June 2025.	12% increase in data analytics improvement by June 2024.	10% increase in data analytics improvement by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% increase in data analytics improvement by June 2025.	Department of Data Analytics	Low budget allocation for data analytics.	Review budget and increase allocation for data analytics.	10% increase in data analytics improvement by June 2025.
2024/2025/13	Area 13: Project Management	Implement project management measures to complete projects on time by 10% by June 2025.	Implement project management measures to complete projects on time by 10% by June 2025.	Percentage of project management completion by June 2025.	Value	10% increase in project management completion by June 2025.	Achieved 12% increase in project management completion by June 2024.	10% increase in project management completion by June 2025.	12% increase in project management completion by June 2024.	10% increase in project management completion by June 2025.	12% increase in project management completion by June 2024.	10% increase in project management completion by June 2025.	12% increase in project management completion by June 2024.	10% increase in project management completion by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% increase in project management completion by June 2025.	Department of Project Management	Low budget allocation for project management.	Review budget and increase allocation for project management.	10% increase in project management completion by June 2025.
2024/2025/14	Area 14: Risk Management	Implement risk management measures to reduce risks by 10% by June 2025.	Implement risk management measures to reduce risks by 10% by June 2025.	Percentage of risk management reduction by June 2025.	Value	10% reduction in risk management by June 2025.	Achieved 12% reduction in risk management by June 2024.	10% reduction in risk management by June 2025.	12% reduction in risk management by June 2024.	10% reduction in risk management by June 2025.	12% reduction in risk management by June 2024.	10% reduction in risk management by June 2025.	12% reduction in risk management by June 2024.	10% reduction in risk management by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% reduction in risk management by June 2025.	Department of Risk Management	Low budget allocation for risk management.	Review budget and increase allocation for risk management.	10% reduction in risk management by June 2025.
2024/2025/15	Area 15: Innovation and Research	Implement innovation and research measures to develop new products by 10% by June 2025.	Implement innovation and research measures to develop new products by 10% by June 2025.	Percentage of innovation and research development by June 2025.	Value	10% increase in innovation and research development by June 2025.	Achieved 12% increase in innovation and research development by June 2024.	10% increase in innovation and research development by June 2025.	12% increase in innovation and research development by June 2024.	10% increase in innovation and research development by June 2025.	12% increase in innovation and research development by June 2024.	10% increase in innovation and research development by June 2025.	12% increase in innovation and research development by June 2024.	10% increase in innovation and research development by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% increase in innovation and research development by June 2025.	Department of Innovation and Research	Low budget allocation for innovation and research.	Review budget and increase allocation for innovation and research.	10% increase in innovation and research development by June 2025.
2024/2025/16	Area 16: Customer Feedback	Implement customer feedback measures to improve service by 10% by June 2025.	Implement customer feedback measures to improve service by 10% by June 2025.	Percentage of customer feedback improvement by June 2025.	Value	10% increase in customer feedback improvement by June 2025.	Achieved 12% increase in customer feedback improvement by June 2024.	10% increase in customer feedback improvement by June 2025.	12% increase in customer feedback improvement by June 2024.	10% increase in customer feedback improvement by June 2025.	12% increase in customer feedback improvement by June 2024.	10% increase in customer feedback improvement by June 2025.	12% increase in customer feedback improvement by June 2024.	10% increase in customer feedback improvement by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% increase in customer feedback improvement by June 2025.	Department of Customer Feedback	Low budget allocation for customer feedback.	Review budget and increase allocation for customer feedback.	10% increase in customer feedback improvement by June 2025.
2024/2025/17	Area 17: Employee Training	Implement employee training measures to improve skills by 10% by June 2025.	Implement employee training measures to improve skills by 10% by June 2025.	Percentage of employee training improvement by June 2025.	Value	10% increase in employee training improvement by June 2025.	Achieved 12% increase in employee training improvement by June 2024.	10% increase in employee training improvement by June 2025.	12% increase in employee training improvement by June 2024.	10% increase in employee training improvement by June 2025.	12% increase in employee training improvement by June 2024.	10% increase in employee training improvement by June 2025.	12% increase in employee training improvement by June 2024.	10% increase in employee training improvement by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% increase in employee training improvement by June 2025.	Department of Employee Training	Low budget allocation for employee training.	Review budget and increase allocation for employee training.	10% increase in employee training improvement by June 2025.
2024/2025/18	Area 18: Supplier Management	Implement supplier management measures to improve quality by 10% by June 2025.	Implement supplier management measures to improve quality by 10% by June 2025.	Percentage of supplier management improvement by June 2025.	Value	10% increase in supplier management improvement by June 2025.	Achieved 12% increase in supplier management improvement by June 2024.	10% increase in supplier management improvement by June 2025.	12% increase in supplier management improvement by June 2024.	10% increase in supplier management improvement by June 2025.	12% increase in supplier management improvement by June 2024.	10% increase in supplier management improvement by June 2025.	12% increase in supplier management improvement by June 2024.	10% increase in supplier management improvement by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% increase in supplier management improvement by June 2025.	Department of Supplier Management	Low budget allocation for supplier management.	Review budget and increase allocation for supplier management.	10% increase in supplier management improvement by June 2025.
2024/2025/19	Area 19: Marketing Campaigns	Implement marketing campaigns to increase sales by 10% by June 2025.	Implement marketing campaigns to increase sales by 10% by June 2025.	Percentage of marketing campaigns sales by June 2025.	Value	10% increase in marketing campaigns sales by June 2025.	Achieved 12% increase in marketing campaigns sales by June 2024.	10% increase in marketing campaigns sales by June 2025.	12% increase in marketing campaigns sales by June 2024.	10% increase in marketing campaigns sales by June 2025.	12% increase in marketing campaigns sales by June 2024.	10% increase in marketing campaigns sales by June 2025.	12% increase in marketing campaigns sales by June 2024.	10% increase in marketing campaigns sales by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% increase in marketing campaigns sales by June 2025.	Department of Marketing Campaigns	Low budget allocation for marketing campaigns.	Review budget and increase allocation for marketing campaigns.	10% increase in marketing campaigns sales by June 2025.
2024/2025/20	Area 20: Internal Audit	Implement internal audit measures to ensure compliance by 10% by June 2025.	Implement internal audit measures to ensure compliance by 10% by June 2025.	Percentage of internal audit compliance by June 2025.	Value	10% increase in internal audit compliance by June 2025.	Achieved 12% increase in internal audit compliance by June 2024.	10% increase in internal audit compliance by June 2025.	12% increase in internal audit compliance by June 2024.	10% increase in internal audit compliance by June 2025.	12% increase in internal audit compliance by June 2024.	10% increase in internal audit compliance by June 2025.	12% increase in internal audit compliance by June 2024.	10% increase in internal audit compliance by June 2025.	NOT ACHIEVED	NOT ACHIEVED	10% increase in internal audit compliance by June 2025.	Department of Internal Audit	Low budget allocation for internal audit.	Review budget and increase allocation for internal audit.	10% increase in internal audit compliance by June 2025.

Overall Financial Performance Summary	
Revenue	1000.00
Expenses	800.00
Profit	200.00
ROI	20.00%
Net Income	150.00
Operating Profit	120.00
EBITDA	180.00
EBIT	160.00
EBT	140.00
EBT	130.00
EBT	120.00
EBT	110.00
EBT	100.00
EBT	90.00
EBT	80.00
EBT	70.00
EBT	60.00
EBT	50.00
EBT	40.00
EBT	30.00
EBT	20.00
EBT	10.00
EBT	0.00

ALFRED DUMA LOCAL MUNICIPALITY
AUDIT REPORT FINDINGS - AUDIT RESPONSE PLAN 2024-2025

NO	NATURE OF FINDING	DETAILED FINDING	INTERNAL CONTROL DEFICIENCY	AG RECOMMENDATIONS	ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL	MONTHLY REPORTED PROGRESS - 31/12/2026	POE
1	Restatement of errors in the Annual Financial Statements	As disclosed in note 5 to the financial statements, the municipality recognised errors in the financial statements of the municipality at, and for the year ended, 30 June 2025.	N/A	N/A	1. During the 2024-2025 audit process, all adjustments as required by the AG were done and the disclosure and working papers were updated and submitted to the AG. Action Owner: Manager: Financial Reporting & Expenditure. Action Date: Done. 2. Management will ensure that the Interim and Annual Financial Statements are adequately reviewed to ensure that prior period errors comply with GRAP 3, and is fairly presented. Action Owner: Manager: Financial Reporting & Expenditure. Action Date: 31/03/2026 & 30/06/2026. 3. Management will ensure that the Interim and Annual Financial Statements are submitted to the Finance Management team, Internal Audit and the Audit Committee for review to ensure that errors and adjustments are identified and corrected before the submission of the Annual Financial Statements to the AG. Action Owner: Manager: Financial Reporting & Expenditure. Action Date: 31/03/2026 & 15/08/2026. 4. The Audit and Annual Financial Statement Readiness Plan will be developed and implemented to ensure that Key Timeframes are met. Action Owner: Manager: Financial Reporting & Expenditure. Action Date: 31/01/2026.	30/06/2026	RA Jhetani (CFO) Manager: Financial Reporting & Expenditure	The AFS Readiness Plan has been drafted, outlining the preparation of the Interim Financial Statements as at 28 February 2026 and 31 April 2026. Thereafter, the final Annual Financial Statements will be done. The AFS Readiness Plan will prepare Municipal officials to timely finalise the Annual Financial Statements. This plan will ensure that there is sufficient time for a thorough review of the Interim and Annual Financial Statements before the due date for submission to AG.	1. AFS Readiness Plan. 2. Interim Financial Statements
2	Material impairments: Receivables from exchange transactions	As disclosed in note 5 to the financial statements, the municipality recognised an impairment of R126.80 million (2023-24: R174.15 million) on receivables from exchange transactions as the recoverability of these amounts was doubtful.	N/A	N/A	1. The Municipality will review the Revenue Enhancement Strategy. Action Owner: Manager: Revenue & Credit Control. Action Date: 31/03/2026. 2. The Municipality will strictly implement the Revenue Enhancement Strategy in the 2025/2026 FY with the aim of reducing the Debtors Book. Action Owner: Manager: Revenue & Credit Control. Action Date: Ongoing process 3. Regular Credit Control Meetings to be held to monitor progress made on the Revenue Enhancement Strategy and Debt Collection processes. Action Owner: Manager: Revenue & Credit Control. Action Date: Meetings to be held monthly. 4. The collection of rates and services will be monitored monthly to ensure that the progress made on debt collection. Action Owner: Manager: Revenue & Credit Control. Action Date: Monthly collection reports. 5. The debtors book will be interrogated to determine the write off of prescribed and irrecoverable debt. This will thereafter be presented to Council for write-off. The result will be a decrease in the impairment provision. Owner: Manager: Revenue & Credit Control. Action Date: 30/04/2026.	30/06/2026	RA Jhetani (CFO) Manager: Revenue & Credit Control	The Revenue Enhancement Strategy will be reviewed and submitted to Council during the Third Quarter of the 2025/2026 Financial year. Monthly meetings have been arranged with the National Department of Public Works and the Provincial Department of Public Works to review and finalise Government accounts for payment. This was confirmed at a meeting that was held with COGTA. Task teams are being formed to address strategic issues and the Debtors Book (Municipal UDLM accounts etc) Management have also taken a decision to disconnect the properties of Government departments who have arrears debt owing to the Municipality.	1. Revenue Enhancement Strategy
3	Material impairments: Receivables from non-exchange transactions	As disclosed in note 6 to the financial statements, the municipality recognised an impairment of R600 million (2023-24: R402.04 million) on receivables from non-exchange transactions as the recoverability of these amounts was doubtful.	N/A	N/A	1. The Municipality will review the Revenue Enhancement Strategy. Action Owner: Manager: Revenue & Credit Control. Action Date: 31/03/2026. 2. The Municipality will strictly implement the Revenue Enhancement Strategy in the 2025/2026 FY with the aim of reducing the Debtors Book. Action Owner: Manager: Revenue & Credit Control. Action Date: Ongoing process 3. Regular Credit Control Meetings to be held to monitor progress made on the Revenue Enhancement Strategy and Debt Collection processes. Action Owner: Manager: Revenue & Credit Control. Action Date: Meetings to be held monthly. 4. The collection of rates and services will be monitored monthly to ensure that the progress made on debt collection. Action Owner: Manager: Revenue & Credit Control. Action Date: Monthly collection reports. 5. The debtors book will be interrogated to determine the write off of prescribed and irrecoverable debt. This will thereafter be presented to Council for write-off. The result will be a decrease in the impairment provision. Owner: Manager: Revenue & Credit Control. Action Date: 30/04/2026.	30/06/2026	RA Jhetani (CFO) Manager: Revenue & Credit Control	The Revenue Enhancement Strategy will be reviewed and submitted to Council during the Third Quarter of the 2025/2026 Financial year. Monthly meetings have been arranged with the National Department of Public Works and the Provincial Department of Public Works to review and finalise Government accounts for payment. This was confirmed at a meeting that was held with COGTA. Task teams are being formed to address strategic issues and the Debtors Book (Municipal UDLM accounts etc) Management have also taken a decision to disconnect the properties of Government departments who have arrears debt owing to the Municipality.	1. Revenue Enhancement Strategy

ALFRED DUMA LOCAL MUNICIPALITY
AUDIT REPORT FINDINGS - AUDIT RESPONSE PLAN 2024-2025

NO	NATURE OF FINDING	DETAILED FINDING	INTERNAL CONTROL DEFICIENCY	AG RECOMMENDATIONS	ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL	MONTHLY REPORTED PROGRESS - 31/12/2026	POE
4	Material losses: Annual Financial Statements	Material Losses from Trade Debtors			1. The Municipality will review the Revenue Enhancement Strategy. Action Owner: Manager Revenue & Credit Control. Action Date: 30/04/2026. 2. The Municipality will strictly implement the Revenue Enhancement Strategy in the 2025/2026 FY with the aim of reducing the Debtors Book. Action Owner: Manager Revenue & Credit Control. Action Date: Ongoing process 3. Regular Credit Control Meetings to be held to monitor progress made on the Revenue Enhancement Strategy and Debt Collection processes. Action Owner: Manager Revenue & Credit Control. Action Date: Meetings to be held monthly. 4. The collection of rates and services will be monitored monthly to ascertain the progress made on debt collection. Action Owner: Manager Revenue & Credit Control. Action Date: Monthly collection of rates and services. 5. The debtors book will be intergrated to determine the write off of prescribed and irrecoverable debt. This will thereafter be presented to Council for write-off. The result will be a decrease in the impairment provision. Action Owner: Manager Revenue & Credit Control. Action Date: 30/04/2026.	30/06/2026	RA Jheram (CFO) (Manager: Revenue & Credit Control)	The Write-off of debt for the 2025/2026 financial year will be reviewed during the third and fourth quarters of the financial year.	Write-off of Debt File
5	Material losses: Annual Financial Statements	Material losses from electricity	N/A	N/A	Ongoing Meter physical Audit and Disconnections provides first line levels of reducing electricity losses. In future, the Department plans to implement latest technologies in remotely identify losses in within small to medium commercial industries.	30/06/2026	R Mazibuko (ED- Tech & Infra Services)	Meter Audits and disconnections are ongoing on a monthly basis.	Inspection Sheets. Exception Reports. Disconnection sheets.
6	Material misstatements: Annual Performance Report	Material misstatements - indicators and targets not well-defined	Management did not adequately review the indicators and targets to ensure coherence with the and Framework for Managing Programme Performance Information.	Management should adequately review indicators and targets to ensure coherence with the and Framework for Managing Programme Performance Information.	The SDBIP to be amended to align to the POEs. The SDBIP be amended to ensure alignment of the indicator and target to the POEs. The PMS should also be amended to align to the POEs. The PMS should also be amended to align to the POEs after the end of the financial year.	31/03/2026	Mrs N D Mwamba	The Quarter 2 SDBIP has been prepared and finalised for presentation to the Council. Currently reviewing the Draft Amended SDBIP before the adjustment budget period.	Amended 2025/2026 SDBIP

ALFRED DUMA LOCAL MUNICIPALITY
AUDIT REPORT FINDINGS - AUDIT RESPONSE PLAN 2024-2025

NO	NATURE OF FINDING	DETAILED FINDING	INTERNAL CONTROL DEFICIENCY	AG RECOMMENDATIONS	ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL	MONTHLY REPORTED PROGRESS - 31/12/2026	POE
7	Material misstatements - Annual Performance Report	Material misstatements - Performance indicator and target not aligned	Section 41 of the Municipal Systems Act No.32 of 2000 states that a municipality must in terms of its performance management system, develop and implement performance management regulations and guidelines that may be prescribed. (a) Set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan; (b) Set measurable performance targets with regard to each of those development priorities and objectives; (c) Set development priorities and objectives against the key performance indicators and targets set in terms of paragraphs (a) and (b) (d) Monitor performance; and (e) Measure and review performance at least once per year.	Management did not adequately review indicators and targets to ensure compliance with the Financial Management Programme Performance Information	The SDBIP to be amended to align to the POEs. SDBIP be amended to ensure alignment of the indicator and target to the SMART principle as per the FMPPH i.e. Indicators and targets. The PMS and IA team will verify the projects during the Mid- year and after the end of the financial year.	31/03/2026	Mrs N D Mwamba	The Quarter 2 SDBIP has been prepared and finalised for submission to AC and Council. Currently preparing the Draft Amended SDBIP before the adjustment budget period.	Amended 2025/2026 SDBIP
8	Material misstatements - Financial Statements	Material misstatements - Financial Statements	The financial statements submitted for auditing were not prepared in full material respects in accordance with the requirements of the MFMA and all material misstatements of current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified opinion	N/A	N/A	30/06/2026	RA Jhetani (CFO) N Nene (Manager: Financial Reporting & Expenditure)	The AFS preparation and Readiness Plan has been drafted, outlining the preparation of the Interim Financial Statements at 28 February 2026 and 31 April 2026. Thereafter, the final Annual Financial Statements will be done. The AFS Readiness Plan will prepare Municipal officials to timely finalise the Annual Financial Statements. This plan will ensure that there is sufficient time for a thorough review of the Interim and Annual Financial Statements before the due date for submission to AG.	1. AFS Readiness Plan. 2. Interim Financial Statements
9	Internal Control Deficiencies - Annual Financial Statements	Internal Control Deficiencies - Annual Financial Statements	Management did not adequately review the financial statements to ensure compliance with GRAP and the requirements of the MFMA.	N/A	N/A	30/06/2026	RA Jhetani (CFO) N Nene (Manager: Financial Reporting & Expenditure)	The AFS preparation and Readiness Plan has been drafted, outlining the preparation of the Interim Financial Statements at 28 February 2026 and 31 April 2026. Thereafter, the final Annual Financial Statements will be done. The AFS Readiness Plan will prepare Municipal officials to timely finalise the Annual Financial Statements. This plan will ensure that there is sufficient time for a thorough review of the Interim and Annual Financial Statements before the due date for submission to AG.	1. AFS Readiness Plan. 2. Interim Financial Statements
10	Internal Control Deficiencies - Annual Performance Report	Internal Control Deficiencies - Annual Performance Report	Management did not adequately review the service delivery/budget implementation plan to ensure that the indicators and targets contained therein are compliant with the framework for managing programme performance information.	N/A	N/A	31/03/2026	Mrs N D Mwamba	The Quarter 2 SDBIP has been prepared and finalised for submission to AC and Council. Currently preparing the Draft Amended SDBIP before the adjustment budget period.	Amended 2025/2026 SDBIP

Appendices:

- a. Councillors: Committee Allocation and Council Attendance
- b. Committees and Committee Purposes
- c. Third Tier Administrative Structure
- d. Functions of Municipality/Entity
- e. Recommendations of the Municipal Audit Committee
- f. Long term Contracts and Public Private Partnerships
- g. Municipal Entity / Service provider Performance Schedule
- h. Disclosure on Financial Interest
- i. Revenue Collection Performance
 - (i) Revenue Collection Performance by Vote
 - (ii) Revenue Collection Performance by Source
- j. Conditional Grants Received (Excluding MIG)
- k. Capital Expenditure – New an Upgrade/ Renewal Programmes
 - (i) Capital Expenditure – New Assets
 - (ii) Capital Expenditure – Upgrade/ Renewal
- l. Capital Program by Project
- m. Capital Program by Project by Ward
- n. Service connection backlogs at Schools and Clinics
- o. Service Backlogs Experienced by the Community where another Sphere of Government is responsible for Service Provision
- p. Declaration of Loans and Grants made by the Municipality
- q. Declaration of Returns not made in due time under Section 71
- r. National and Provincial outcomes for Local Government

A. Councillors: Committee allocation and Council Structure

COUNCILLORS: COMMITTEE ALLOCATED AND COUNCIL STRUCTURE			
Council Member	Exco members	Committee Allocated to	Ward and/or Party Represented
SURNAME	NAME	DESIGNATION / REPRESENTATION ON COMMITTEES	WARD PARTY
Biyela	Bonisiwe Beauty	MPAC MEMBER / WOMEN'S CAUCUS MEMBER / RULES COMMITTEE MEMBER	PR NFP
Buys	Sharon Ann	MPAC CHAIRPERSON / WOMEN'S CAUCUS MEMBER	12 DA
Cebekhulu	Sithabiso	CSSPC MEMBER	PR EFF
Dube	Lucy Thobekile	SPGFPC MEMBER / WOMEN'S CAUCUS MEMBER	PR EFF
Dlamini	Nokwazi Barbara	CSPC MEMBER / WOMEN'S CAUCUS MEMBER	3 ANC
Dlamini	Thobani Prince	EXCO MEMBER / CHAIRPERSON - CSSPC / RAPID RESPONSE MEMBER	23 IFP
Hadebe	Thulile	EXCO MEMBER / WOMEN'S CAUCUS MEMBER / DPHSPC MEMBER	PR ANC
Hlomuka	Londathina Given	CSPC MEMBER	4 ANC
Hlonewane	Lindiwe Goodness	CSPC MEMBER / WOMEN'S CAUCUS MEMBER	PR ANC
Khoza	Mthokozisi Magical	PSESPC MEMBER	14 IFP
Khumalo	Mthokozisi Vincent	MPAC MEMBER	PR ANC

Khumalo	Siphamandla Samuel	PSESPC MEMBER	11	ANC
Kubheka	Gladys Sihlesenkosi	CSSPC MEMBER / WOMEN'S CAUCUS MEMBER	PR	ANC
Kubheka	Lindiwe Bongwiwe Marrilyn	SPGFPC MEMBER / RULES COMMITTEE MEMBER / WOMEN'S CAUCUS MEMBER	PR	ANC
Kubheka	Sibongile Emily	CSSPC MEMBER / WOMEN'S CAUCUS MEMBER	PR	ANC
Kubheka	Xolani Orswald	SPGFPC MEMBER	15	IFP
Madondo	Bongani Nicholas	PSESPC MEMBER		
Madondo	Sifiso Eric	EXCO MEMBER / PSESPC CHAIRPERSON / RULES COMMITTEE MEMBER	PR	EFF
Madondo	Zamukwenzani Israel	EXCO MEMBER / CSPC CHAIRPERSON	30	IFP
Magasela	Mzuzwana	MPAC MEMBER	34	IFP
Majola	Bhekokwakhe Christopher	PSESPC MEMBER	28	IFP
Makhathini	Sithembiso	PSESPC MEMBER	1	ANC
Mbhele	Mzwandile Beatus	EXCO MEMBER / TISPC MEMBER	PR	ANC
Mbhense	Monica Ntombeningi	PSESPC MEMBER / WOMEN'S CAUCUS MEMBER	PR	ANC
Mbhense	Ntuthuko	DPHSPC MEMBER	35	IFP
Mchunu	Andile	EXCO MEMBER / CSPC MEMBER	PR	ANC
Mdluli	Khulekani	CSSPC MEMBER	7	IFP

Memela	Vusumuzi Fred	SPGFPC MEMBER	8	ANC
Mhlongo	Xoliswa Fikelephi	CSSPC MEMBER / WOMEN'S CAUCUS MEMBER	PR	IFP
Mjiyakho	Khanyisile Evertrinah	MPAC MEMBER / WOMEN'S CAUCUS MEMBER	PR	IFP
Mkhasibe	Nkululeko Daniel	DPHSPC MEMBER	26	ANC
Mlaba	Thulasizwe Christopher	TISPC MEMBER	17	IFP
Mlotshwa	Mosley Ntombizonke	MPAC MEMBER / WOMEN'S CAUCUS MEMBER	PR	ANC
Mlotshwa	Njabulo	DPHSPC MEMBER / WOMEN'S CAUCUS MEMBER	PR	ANC
Mlotshwa	Nkosinathi Petros Bethwel	TISPC MEMBER	25	ANC
Mngadi	Mabutho Siboniso	DPHSPC MEMBER	5	ANC
Mngadi	Xolani Peacefully	CSSPC MEMBER	10	ANC
Msimango	Sanele Lesley	SPGFPC MEMBER	18	IFP
Mswane	Sakhile Lucas	CSPC MEMBER	19	IFP
Mtshali	Nikiwe Cynthia	MPAC MEMBER / CHAIRPERSON WOMEN'S CAUCUS	PR	EFF
Nene	Siphelele Minenhle	DPHSPC MEMBER	33	IFP
Ngcobo	Theminkosi Nicholas	MPAC MEMBER	24	IFP
Ngubane	Sihle Emmanuel	MPAC MEMBER	32	IFP

Njoko	Thabisile Precious	EXCO MEMBER / WOMEN'S CAUCUS MEMBER / SPGFPC MEMBER	PR	ANC
Nkosi	Lwazilwakhe	PSESPC MEMBER	PR	EFF
Ntini	Khanyisani	DPHSPC MEMBER	PR	IFP
Nsuntsha	Zandile Pascal	CSPC MEMBER / WOMEN'S CAUCUS MEMBER	PR	IFP
Nxumalo	Octavia Sindisiwe	MPAC MEMBER / WOMEN'S CAUCUS MEMBER	PR	ANC
Nzuza	Bhiza Muzomusha	SPGFPC MEMBER	31	IFP
Nzuza	Phangisani Milton	MPAC MEMBER / RULES COMMITTEE MEMBER	PR	APM
Rajkoomar	Anand	TISPC MEMBER / RULES COMMITTEE MEMBER	13	DA
Shabalala	Khanyisile Elizabeth	TISPC MEMBER / WOMEN'S CAUCUS MEMBER	PR	IFP
Shange	Lindokuhle Cynthia	MPAC MEMBER / RULES COMMITTEE MEMBER	PR	NPA
Shabalala	Ntandoyenkosi Bisset	NOT A MEMBER OF ANY COMMITTEE	PR	IFP
Sibisi	Zama Joel	MAYOR / CHAIRPERSON SPGFPC / RAPID RESPONSE MEMBER	PR	IFP
Simelane	Sizwe	DEPUTY MAYOR / CHAIRPERSON TISPC / RAPID RESPONSE MEMBER	36	IFP
Sithebe	Nkosinathi Justice	SPGFPC MEMBER	6	ANC
Sithole	Bhekinkosi Petros	SPEAKER / RULES COMMITTEE CHAIRPERSON / RAPID RESPONSE CHAIRPERSON	PR	IFP
Sithole	Nkosinathi Shadrack	TISPC MEMBER	9	ANC

Sithole	Sabelo	CHIEF WHIP / RULES COMMITTEE MEMBER / LOCAL LABOUR FORUM	PR	ABC
Sithole	Sabelo Marcus	TISPC MEMBER	PR	IFP
Suddaby	Michael Rodney	SPGFPC MEMBER	PR	DA
Thabede	Zakhele Thomas	CSSPC MEMBER	PR	IFP
Warasally	Abbas Sheik Dawood	EXCO MEMBER / DPHS CHAIRPERSON / RAPID RESPONSE MEMBER	20	IFP
Xaba	Austin Bhekisisa	CSPC MEMBER	27	IFP
Zikalala	Mduduzi Garnet	CSPC MEMBER	16	IFP
Zikalala	Nonhlanhla Lucia	PSPC MEMBER / WOMEN'S CAUCUS MEMBER	PR	ANC
Zikalala	Sandile Brian	CSSPC MEMBER	21	ANC
Zuma	Fana	DPHSPC MEMBER	PR	IFP
Zungu	Mzwakhe Pamu	TISPC MEMBER	37	IFP
Zwane	Nkosikhona Excellent	MPAC MEMBER / RULES COMMITTEE MEMBER	PR	IFP
Zwane	Simphiwe Xolani Musawenkosi	TISPC MEMBER	2	ANC
Zwane	Xolani Simphiwe	CSPC MEMBER	22	ANC

APPENDIX B: COMMITTEES (OTHER THAN EXCO) AND PURPOSES	
MUNICIPAL COMMITTEES	
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	Oversee the operation of public accounts
RULES COMMITTEE	Council's Rules and Conduct of Councillors
RAPID RESPONSE COMMITTEE	Public Complaints, memorandums etc.
WOMEN'S CAUCUS	Gender issues / employment equity, etc.
COMMUNITY AND SOCIAL SERVICES PORTFOLIO	Community and Social Services issues
CORPORATE SERVICES PORTFOLIO	Corporate Admin and Records Management and Human Resources affairs
DEVELOPMENT, PLANNING AND HUMAN SETTLEMENTS PORTFOLIO	Related to Land as well as housing issues and planning affairs
PUBLIC SAFETY AND EMERGENCY SERVICES PORTFOLIO	Public Safety and Emergency Services issues
STRATEGIC PLANNING, GOVERNANCE AND FINANCE PORTFOLIO	Financial services and Social Strategic Planning and Governance issues
TECHNICAL AND INFRASTRUCTURAL SERVICES PORTFOLIO	Technical, Infrastructure / Electrical issues
AUDIT COMMITTEE	Performs functions as per MFMA section 166

APPENDIX C: Third Tier Administration

Organogram

APPENDIX D: FUNCTIONS OF MUNICIPALITY

Municipal Functions as per Schedules 4 Part B & 5 Part B of MSA		
Municipal Functions	Function Applicable to Municipality (Yes/No)	Function performed by Alfred Duma Local Municipality (Yes/No)
Air pollution	NO	NO
Building regulations	YES	YES
Child care facilities	NO	NO
Electricity and gas reticulation	YES	YES
Fire-fighting services	YES	YES
Local tourism	YES	YES
Municipal airstrip/ aerodrome	YES	YES
Municipal planning	YES	YES
Municipal health services	NO	NO
Municipal public transport	NO	NO
Municipal public works	YES	YES
Pontoons, ferries, jetties, piers and harbours	NO	NO
Storm water management system in built-up areas	YES	YES
Trading regulations	YES	YES
Water and sanitation services	NO	NO
Beaches and amusement facilities	NO	NO
Billboards and the display of advertisements in public places	YES	YES
Cemeteries and burial sites	YES	YES
Cleansing and solid waste management	YES	YES
Control of public nuisance	YES	YES
Control of undertaking the sell liquor to the public	YES	YES
Facilities for the accommodation, care and burial of animals	YES	YES
Fencing and fences	NO	NO

Licensing of dogs		YES	YES
Licensing and control of undertakings that sell food to the public		YES	YES
Local amenities		YES	YES
Local sport facilities		YES	YES
Markets		YES	YES
Municipal abattoirs		NO	NO
Municipal parks and recreation		YES	YES
Municipal roads		YES	YES
Noise control/pollution		YES	YES
Municipal Pound		YES	YES
Public places		YES	YES
Refuse removal, refuse dumps and solid waste disposal		YES	YES
Street trading		YES	YES
Street lighting		YES	YES
Traffic and parking		YES	YES

APPENDIX E: RECOMMENDATIONS OF THE AUDIT COMMITTEE

As per an Audit Committee Report on Page 65-70

APPENDIX F: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts Entered into during Year					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	End Date of Contract	Project Manager	Contract Value
N/A					

APPENDIX G: MUNICIPAL ENTITY / PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

Alfred Duma Year-end Assessment of External Service Providers: 2024/2025										
Ref Number	Name of external Service Provider	Date Contract Awarded	Completion date	Service provided in terms of the SLA	Value of project	Expenditure to date		Previous Financial Year 2023/2024		Current Financial Year 2024/2025
						Target	Actual	Target	Actual	
CS09/2021	Azula Group (Pty) Ltd	2022-01-26	25-01-2025 - Contract extended to 30-04-2025 and again to 3-07-2025	Maintenance of the PBAX system	R503 953.44	R503 953.44	R503 953.44	Maintenance of the PBAX system	Maintenance of the PBAX system	g
RT15/2021 - ORER 6851	Vodacom	01-02-2022	2026-03-31	Supply and Delivery of mobile communication services to the state	R24 000.00 in respect of SMS system only	R24 000.00	R24 000.00	Supply and Delivery of mobile communication services to the state	Supply and Delivery of mobile communication services to the state	g
RT19/2022	ITEC	2023-02-01	01/02/2026	Lease of Multifunction Copiers	Monthly payments in respect of 4 Multifunction copiers at R4 200.00 per month and 1 X multifunction copier at R6 144.00 per month since May 2025	R1 515 129.72	R1 389 718.00	R1 515 129.72	R1 515 129.72	g
RT19/2022	ITEC	2023-02-01	01/02/2026	Copy Change in respect of Multifunction Copiers	very monthly in accordance with the contract	R523 197.27	R522 507.03	Lease of Multifunction Copiers - monthly	R523 197.27	g
IAT/S2/022/2023/21/23	Ivyon Emymani Construction and Trading Enterprise	2024-06-05	2024-11-13	Construction of Roboam Gravel Road in Ward 11	R3 915 762.89	R3 911 844.81	N/A	Construction of Roboam Gravel Road in Ward 11	Construction of Roboam Gravel Road in Ward 11	g
IAT/S2/022/2023/21/16	Siba and Nkomo's Security and Construction	2024-07-15	2024-11-18	Construction of Gravel Road in Mahlowene Ward 23	R 3 911 569.25	R 3 807 242.16	N/A	Construction of Gravel Road in Mahlowene Ward 23	Construction of Gravel Road in Mahlowene Ward 23	g
IAT/S2/022/2023/21/14	Black Transport and Logistics (Pty) Ltd	2024-07-15	2024-11-11	Construction of Burford Gravel Road in Ward 14	R 804 302.82	R 4 807 538.17	N/A	Construction of Burford Gravel Road in Ward 14	Construction of Burford Gravel Road in Ward 14	g
IAT/S2/022/2023/21/24	Khawe Elize Trading	2024-09-12	2025-02-25	Construction of Walhook Road in Ward 31	R9 186 328.78	R 9 186 311.44	N/A	Construction of Walhook Road in Ward 31	Construction of Walhook Road in Ward 31	g
IAT/S2/022/2023/21/15	Ivyon Emymani Construction and Trading Enterprise	2024-07-15	2025-02-30	Upgrade of Pheacdown Road in Ward 15	R4 897 053.66	R 4 893 980.56	N/A	Upgrade of Pheacdown Road in Ward 15	Upgrade of Pheacdown Road in Ward 15	g
IAT/S2/022/2023/21/35	Sipho Glad Construction and General Trading	2025-05-05	2025-06-30	Construction of LadySmith Animal Pound Farm in Ward 11 Phase 2	R2 434 601.35	R 2 434 599.45	N/A	Construction of LadySmith Animal Pound Farm in Ward 11 Phase 2	Construction of LadySmith Animal Pound Farm in Ward 11 Phase 2	g
IAT/S2/022/2023/21/24	Neliam Trading and Project (Pty) Ltd	2024-07-26	2024-11-18	Upgrade of Ezakweni Swimming pool Phase 2 in Ward 08	R1 259 945.77	R 1 267 771.93	N/A	Upgrade of Ezakweni Swimming pool Phase 2 in Ward 08	Upgrade of Ezakweni Swimming pool Phase 2 in Ward 08	g
IAT/S2/022/2023/21/20	Zymasha Trading and Contracting	2024-07-15	2025-02-03	Construction of Enclatweni Community Hall in Ward 07	R2 893 535.54	R 2 821 404.80	N/A	Construction of Enclatweni Community Hall in Ward 07	Construction of Enclatweni Community Hall in Ward 07	g
IAT/S2/022/2023/21/18	Ubhehehe Lwagwagwala	2024-07-15	2025-04-02	Construction of Low water crossing Kwananzini Ward 26	R2 958 989.62	R 2 958 541.90	N/A	Construction of Low water crossing Kwananzini Ward 26	Construction of Low water crossing Kwananzini Ward 26	g
DF08/2018	Nqobile Consulting Engineers	2024-11-21	2025-06-30	Construction Alfred Duma Fitness Centre Phase 4B in Ward 13	R 10 794 000.00 (BIS) R 10 000 000.00 (MIG) R 4 000 000.00 (GOV/CILL)	R 10 793 999.98 R 10 000 000.00 R 4 000 000.00	N/A	Construction Alfred Duma Fitness Centre Phase 4B in Ward 13	Construction Alfred Duma Fitness Centre Phase 4B in Ward 13	g
IAT/S2/022/2023/21/21	Derzo Trading cc	2024-07-26	2025-06-30	Construction of Eholeni Asphalt Road in Ward 34	R7 537 835.68	R 7 514 507.50	N/A	Construction of Eholeni Asphalt Road in Ward 34	Construction of Eholeni Asphalt Road in Ward 34	g
IAT/S2/022/2023/3/16	Mole Consulting Engineers	2024-03-26	2025-06-30	Panel of Consultants to Undertake the Design and Oversee the Construction of Eholeni Asphalt Road in Ward 34	R1 500 000.00	R 1 255 915.49	N/A	Panel of Consultants to Undertake the Design and Oversee the Construction of Eholeni Asphalt Road in Ward 34	Panel of Consultants to Undertake the Design and Oversee the Construction of Eholeni Asphalt Road in Ward 34	g
IAT/S2/022/2023/21/22	Siropha Construction and Property (Pty) Ltd	2024-08-23	2025-06-30	Construction of Uthval Asphalt Road in Ward 35	R7 760 226.70	R 7 760 226.61	N/A	Construction of Uthval Asphalt Road in Ward 35	Construction of Uthval Asphalt Road in Ward 35	g
IAT/S2/022/2023/16	Bosabo Development Project cc	2024-03-26	2025-06-30	Panel of Consultants to Undertake the Design and Oversee the Construction of Uthval Asphalt Road in Ward 35	R1 500 000.00	R 1 073 566.48	N/A	Panel of Consultants to Undertake the Design and Oversee the Construction of Uthval Asphalt Road in Ward 35	Panel of Consultants to Undertake the Design and Oversee the Construction of Uthval Asphalt Road in Ward 35	g
IAT/S2/022/2023/21/37	Ungane MI Contractors	2025-05-23	2025-11-24	Construction of Dalinkos Pedestrian Bridge Phase 2 in Ward 30	R3 912 251.17	R 3 912 251.17	N/A	Construction of Dalinkos Pedestrian Bridge Phase 2 in Ward 30	Construction of Dalinkos Pedestrian Bridge Phase 2 in Ward 30	g
IAT/S2/022/2023/17/09	VWP Engineers and Project Managers	2024-09-23	2025-06-30	Electrification of 75 Households in Ehabeni Phase 2, Ward 18 and ready for commissioning by Eskom by 30 June 2025	R3 277 000.00	R2 447 010.20	N/A	75 Households electrified in Ehabeni Phase 2, Ward 18 and ready to be commissioned by 30 June 2025	Achieved - 75 households were electrified.	g
IAT/S2/022/2023/17/12	R Busiwe (Pty) Ltd	2025-03-11	2025-06-30	Electrification of 79 Households in Kwananzini Phase 2, Ward 29 and ready for commissioning by Eskom by 30 June 2025	R2 568 000.00	N/A	N/A	75 Households electrified in Kwananzini Phase 2, Ward 29 and ready to be commissioned by 30 June 2025	Not Achieved- R4 556 000.00 was reduced on INEP grant by national government and the balance was going due to cashflow challenge from the contractor	g
IAT/S2/022/2023/17/09	Igota Projects	2024-08-05	2025-06-30	Electrification of 120 Households in Mgwili Farm and Mkwaweni Phase 2, Ward 24 and ready for commissioning by Eskom by 30 June 2025	R7 480 000.00	R 5 224 887.28	N/A	120 Households electrified in Mgwili Farm and Mkwaweni Phase 2, Ward 24 and ready to be commissioned by 30 June 2025	Not Achieved- Only 60 connection were achieved due to Eskom having decommissioned a Medium Voltage Line and the balance was going to be connected from the contractor	g
IAT/S2/022/2023/17/09	Burlington Electrical	2025-01-07	2025-06-30	Electrification of 80 Households in Empangweni Phase 2, Ward 04 and ready for commissioning by Eskom by 30 June 2025	R2 200 000.00	R1 172 486.91	N/A	80 Households electrified in Empangweni Phase 2, Ward 04 and ready to be commissioned by 30 June 2025	Achieved - 80 Households were electrified.	g
IAT/S2/022/2023/17/03	Mazembe Project	2024-07-15	2025-06-30	Installation of High Mast Lights in Burford Ward 14 and ready for commissioning by Eskom by 30 June 2025	R2 443 151.00	R2 063 740.00	N/A	4 High Mast lights installed and ready for commissioning by Eskom in Burford Ward 14 by 30 June 2025	Achieved - 4 High Mast Lights were installed	g
IAT/S2/022/2023/17/04	SMART MUNTU AGENT	2024-07-15	2025-06-30	Installation of 4 High Mast Lights in Mahlowene-Ward 17 and ready for commissioning by Eskom by 30 June 2025	R2 688 474.00	R2 243 427.83	N/A	4 High Mast lights installed and ready for commissioning by Eskom in Mahlowene-Ward 17 by 30 June 2025	Achieved - 4 High Mast Lights were installed	g
IAT/S2/022/2023/17/05	Kuhl Power(Pty) Ltd	2024-07-15	2025-06-30	Installation of 4 High Mast Lights in Mahlowene-Ward 17 and ready for commissioning by Eskom by 30 June 2025	R2 602 024.00	R2 220 472.83	N/A	4 High Mast lights installed and ready for commissioning by Eskom in Mahlowene-Ward 17 by 30 June 2025	Achieved - 4 High Mast Lights were installed	g
IAT/S2/022/2023/17/08	BBTNT technologies	2024-07-24	2025-06-30	Installation of 4 High Mast Lights in Acaasile-Ward 20 and ready for commissioning by Eskom by 30 June 2025	R2 489 555.00	R2 173 626.00	N/A	4 High Mast lights installed and ready for commissioning by Eskom in Acaasile-Ward 20 by 30 June 2025	Achieved - 4 High Mast Lights were installed	g
IAT/S2/022/2023/17/07	VWP Engineers and Project Managers	2024-07-15	2025-06-30	Installation of 4 High Mast Lights in Sonahook-Ward 30 and ready for commissioning by Eskom by 30 June 2025	R2 644 907.00	R2 207 628.58	N/A	4 High Mast lights installed and ready for commissioning by Eskom in Sonahook-Ward 30 by 30 June 2025	Achieved - 4 High Mast Lights were installed	g

Alfred Duma Year-end Assessment of External Service Providers: 2024/2025															
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							Target	Actual	Target	Actual	G	S	P		
IAT 52/022/2023/17111	Black Shepherd	2025-04-02	2025-06-30	Installation of 4 High Mast Lights in Colenso Ward 28 and ready for commissioning by 30 June 2025	R 2 519 137.00	R2,173,077.41	N/A	N/A	4 High Mast lights installed and ready for commissioning by Eskom in Colenso Ward 7 by 30 June 2025	Achieved- 4 High Mast Lights were installed	G			N/A	
IAT 52/022/2023/17108	Bolababela systems	2024-01-07	2025-06-30	Installation of 4 High Mast Lights in Kwaikhulu- Ward 36 and ready for commissioning by Eskom by 30 June 2025	R 2 388 790.00	R1,912,532.00	N/A	N/A	4 High Mast lights installed and ready for commissioning by Eskom in Kwaikhulu- Ward 36 by 30 June 2025	Achieved- 4 High Mast Lights were installed	G			N/A	
IAT 52/022/2023/17103	Nbesuthu Technologies	2024-07-15	2025-06-30	Installation of 4 High Mast Lights in Dlelontien- Ward 19 and ready for commissioning by Eskom by 30 June 2025	R 2 662 157.00	R2,233,888.98	N/A	N/A	4 High Mast lights installed and ready for commissioning by Eskom in Dlelontien- Ward 19 by 30 June 2025	Achieved- 4 High Mast Lights were installed	G			N/A	
DF 03/02/23	Harvey World Travel	10/12/2021	31/05/2023	Travelling agent service	N/A	R497 661.00	Appointment of a Registered Services (Travelling Agent) to Render Services in Respect of Travel, Accommodation, Motor Vehicle and Airfare Engagements for the Alfred Duma Local Municipality for a Period of Twelve Months	Travelling agent service	Monthly Payments	R1 027 545.00	G				N/A
RT25-2016	Munroff	2016-06-30	2025-06-30	Provision of Financial System	N/A	R 15,003,264.23	Financial System, IT Support, Printing and Postage of Consumer Accounts and mISCOA Support	Financial System, IT Support, Printing and Postage of Consumer Accounts and mISCOA Support	Financial System, IT Support, Printing and Postage of Consumer Accounts and mISCOA Support				S		N/A
DF 10/02/21	CROSSCHECK	2022-05-16	2025-05-15	TRACING AGENT- TO PROVIDE CREDIT CHECKS AND CUSTOMER INFORMATION	R500 000.00	R 39 136.00	N/A	N/A	TRACING AGENT	TRACING AGENT	G				N/A
DF 07/02/21	Pay@ Secured Payment Solutions	2024-07-01	2027-06-30	The Provision of Third Party Payment services for the Alfred Duma LM Accounts	R 2 000 000.00	R180 131.29	N/A	N/A	To provide a collection system through third party vendors for consumer accounts	To provide a collection system through third party vendors for consumer accounts	G				N/A
DF 04/02/24	Ganga YHS (Pty)	27/06/2024	27/09/2026	Appointment Of a Panel of Service Providers to Supply and Deliver Brush Cutters and Other Accessories for a Period of Two (2) Years	R328 886.20	R328 886.20	N/A	N/A	To supply and deliver brush cutters	To supply and deliver brush cutters	G				N/A
DF 04/02/24	Tritlani Projects	27/06/2024	27/09/2026	Appointment Of a Panel of Service Providers to Supply and Deliver Brush Cutters and Other Accessories for a Period of Two (2) Years	R458 449.50	R458 449.50	N/A	N/A	To supply and deliver chainsaw chains and other accessories	To supply and deliver chainsaw chains and other accessories	G				N/A
DF 04/02/24	Plan B Lifestyle (Pty)Ltd	27/06/2024	27/09/2026	Appointment Of a Panel of Service Providers to Supply and Deliver Brush Cutters and Other Accessories for a Period of Two (2) Years	105000.00	R105 000.00	N/A	N/A	To supply and deliver chainsaw chains and other accessories	To supply and deliver chainsaw chains and other accessories	G				N/A
DF 05/02/24	Omik Enterprises (Pty)Ltd	02/09/2024	02/09/2026	Appointment of a Panel of Service Providers to Supply and Deliver Cleaning Deliegents for a Period of Two (2) Years	59475.00	R 59 475.00	N/A	N/A	Supply and delivery of cleaning deliegents	Supply and delivery of cleaning deliegents	G				N/A
DF 05/02/24	Pure Stream Enterprises	02/09/2024	02/09/2026	Appointment of a Panel of Service Providers to Supply and Deliver Cleaning Deliegents for a Period of Two (2) Years	16215.00	R16 215.00	N/A	N/A	Supply and delivery of cleaning deliegents	Supply and delivery of cleaning deliegents	G				N/A
DF 05/02/24	Oodham Trading (Pty)Ltd	02/09/2024	02/09/2026	Appointment of a Panel of Service Providers to Supply and Deliver Cleaning Deliegents for a Period of Two (2) Years	184790.00	R184 790.00	N/A	N/A	Supply and delivery of cleaning deliegents	Supply and delivery of cleaning deliegents	G				N/A
DF 05/02/24	Ganga YHS (Pty)Ltd	02/09/2024	02/09/2026	Appointment of a Panel of Service Providers to Supply and Deliver Cleaning Deliegents for a Period of Two (2) Years	R 14 250.00	R 14 250.00	N/A	N/A	Supply and delivery of cleaning deliegents	Supply and delivery of cleaning deliegents	G				N/A
DF 05/02/24	Nyoniwanda Trading	02/09/2024	02/09/2026	Appointment of a Panel of Service Providers to Supply and Deliver Cleaning Deliegents for a Period of Two (2) Years	R 49 185.00	R 49 185.00	N/A	N/A	Supply and delivery of cleaning deliegents	Supply and delivery of cleaning deliegents	G				N/A
DF 06/02/24	One Stop Computers	27/08/2024	27/09/2026	Appointment Of a Panel of Service Providers to Supply and Deliver Stationery for a Period of Two (2) Years	R 18 175.04	R 18 175.04	N/A	N/A	Supply and delivery of Stationery	Supply and delivery of Stationery	G				N/A

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Ref Number	Name of external Service Provider	Date Contract Awarded	Completion date	Services provided in terms of the SLA	Value of project	Expenditure to date	Previous Financial Year 2023 / 2024		Current Financial Year 2024 / 2025		Assessment of Service Providers Performance			
							Target	Actual	Target	Actual	G	S	P	Reason for non-achievement
DF 06/2024	Uthanda	27/06/2024	27/06/2026	Appointment Of a Panel of Service Providers to Supply and Deliver Stationery for a Period of Two (2) Years	R 11 615.00	R 11 615.00	N/A		Supply and delivery of Stationery		G			N/A
DF 06/2024	Thudana Trading and Projects (Pty)Ltd	27/06/2024	27/06/2026	Appointment Of a Panel of Service Providers to Supply and Deliver Stationery for a Period of Two (2) Years	R 138 000.00	R 138 000.00	N/A		Supply and delivery of Stationery		G			N/A
DF 06/2024	Compu Supplies	27/06/2024	27/06/2026	Appointment Of a Panel of Service Providers to Supply and Deliver Stationery for a Period of Two (2) Years	R 86 273.00	R 86 273.00	N/A		Supply and delivery of Stationery		G			N/A
DF02/2023	Quicksap	19/06/2023	19/06/2026	Supply and delivery of petroleum products	R 35 300 859.30	R 35 300 859.30	N/A		Supply and delivery of Fuel		G			N/A
DF02/2023	Shedethu	19/06/2023	19/06/2026	Supply and delivery of petroleum products	R 65 625.00	R 65 625.00	N/A		Supply and delivery of Fuel		G			N/A
DF02/2023	Shanyiso engineering	19/06/2023	19/06/2026	Supply and delivery of petroleum products	R 61 364.40	R 61 364.40	N/A		Supply and delivery of Fuel		G			N/A
STATE TENDER	1 X 7 TON PAYLOAD REFUSE COMPACTOR WITH CREW CAB			PR No. 21743 - 17/07/24, Order No.20016 - Invoice No.202406-30/08/24 Registration Number: BV81USZN	R2 847 900.13	R2 847 900.13	N/A		PURCHASED 1 X 7 TON PAYLOAD REFUSE COMPACTOR WITH CREW CAB	DELIVERED ON 08/09/24	G			N/A
STATE TENDER	1 X 10 TON PAYLOAD HOOK LIFT TRUCK (ROLL OFF)			PR No. 21752 - 18/07/24, Order No. 20077, Invoice No. 202423 - 30/08/24, Invoice No. 202424-30/08/24, Registration Number: BX76WVXZN	R3 156 977.36	R3 156 977.36	N/A		1 X 10 TON PAYLOAD HOOK LIFT TRUCK (ROLL OFF)	DELIVERED ON 09/10/24	G			N/A
STATE TENDER	1 X 30TON HYDRAULIC EXCAVATOR			PR No. 22100 - 21/08/24, Order No. 20413 - 06/09/24, Invoice No. 9001506816 - 10-09-24, Registration No. NKR 666	R4 123 027.15	R4 123 027.15	N/A		1 X 30TON HYDRAULIC EXCAVATOR	DELIVERED ON 13/09/24	G			N/A
STATE TENDER	2 X NEW HOLLAND TRACTOR WITH PLOUGHING HOE			PR No. 22444 - 26/09/24, Order No. 20866 - 31/10/24, Invoice No. 204122 - 28-10-24, Registration No. B0570JNEN and BX37HDZN	R 3 940 600.00	R 3 940 600.00	N/A		2 X NEW HOLLAND TRACTOR WITH PLOUGHING HOE	DELIVERED ON 27/10/24	G			N/A
STATE TENDER	2 X TOYOTA SINGLE CABS			PR No. 22629 30/10/24, Order No. 20866 - 31/10/24, Invoice No. 90067009 - 10/09/24 and Invoice No. 90067007 - 17/09/24, Registration No. BX07ZSZN and BX07XPZN	R1 245 138.36	R1 245 138.36	N/A		2 X TOYOTA SINGLE CABS	DELIVERED ON 17 AND 19 SEPTEMBER 2024	G			N/A
STATE TENDER	1 X TOYOTA SINGLE CAB 4X4 AUTOMATIC WITH BAKKIE SAKKIE			PR No. 22454 - 26/09/24, Order No. 20866 - 31/10/24 and Invoice No. 90067009 - 10/09/24, Registration No. C036GFZN	R666 827.50	R666 827.50	N/A		1 X TOYOTA SINGLE CAB 4X4 AUTOMATIC WITH BAKKIE SAKKIE	DELIVERED ON 20/02/24	G			N/A
STATE TENDER	1 X DIESEL TANK TRAILER WITH DISPENSER			PR No. 22628 - 03/10/24, Order No. 20796 - 21/10/24 and Invoice No. 90067009 - 10/09/24, Registration No. BV07BYZN	R84 288.50	R84 288.50	N/A		1 X DIESEL TANK TRAILER WITH DISPENSER	DELIVERED ON 12/11/24	G			N/A
STATE TENDER	1 X ISUZU WATER TANKER 18000L			PR No. 22116 - 23/09/24, Order No. 20434 - 09/09/24, Invoice No. 90067009 - 10/09/25, Registration No. CH7DIXZN	R2 486 844.43	R2 486 844.43	N/A		1 X ISUZU WATER TANKER 18000L	DELIVERED ON 07/02/25	G			N/A
STATE TENDER	1 X 6000 LITRE JETTING TRUCK SEWAGE TANKER AUTOMATIC			PR No. 22091 - 20/12/24, Order No. 21250 - 20/12/24, Invoice No. 90067009 - 10/09/25, Registration No. CF79ZSZN	R1 840 000.00	R1 840 000.00	N/A		1 X 6000 LITRE JETTING TRUCK SEWAGE TANKER AUTOMATIC	DELIVERED ON 04/04/25	G			N/A
STATE TENDER	1 X TOYOTA DOUBLE CAB 4 X 4 GDE-2.4 WITH STEEL CANOPY			PR No. 22029 14/08/24, Order No. 21013 - 21/11/24, Invoice No. 90006548 - 20/12/24, Registration No. C036G7ZN	R575 000.00	R575 000.00	N/A		1 X TOYOTA DOUBLE CAB 4 X 4 GDE-2.4 WITH STEEL CANOPY	DELIVERED ON 20/03/25	G			N/A
STATE TENDER	1 TOYOTA HILUX DOUBLE CAB 2.4 GDE RAIDER AUTOMATIC			PR No. 23671 - 02/04/25, Order No. 21870 - 11/04/25, Invoice No. 90067009 - 10/09/25, Registration No. C10 GDXN	R567 739.70	R567 739.70	N/A		1 TOYOTA HILUX DOUBLE CAB 2.4 GDE RAIDER AUTOMATIC	DELIVERED ON 19/06/25	G			N/A

STATE TENDER

Alfred Duma Year-end Assessment of External Service Providers: 2024/2025													
Ref Number	Name of external Service Provider	Date Contract Awarded	Completion date	Service provided in terms of the SLA	Value of project	Expenditure to date	Previous Financial Year 2023 / 2024		Current Financial Year 2024 / 2025		Assessment of Service Providers Performance		
							Target	Actual	Target	Actual	G	S	P
PS01/2021	SIZOWAKHA SECURITY AND CLEANING SERVICES	2022-02-03	2025-01-31	PROVISION OF SECURITY SERVICES	R1 007 871.16		N/A		PROVISION OF SECURITY SERVICES	G			N/A
PS01/2023	ROSHVY GROUP	21-08-23	31-08-26	PANEL OF SERVICE PROVIDERS FOR MECHANICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT	R1 092 771.13		N/A		PANEL OF SERVICE PROVIDERS FOR MECHANICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT	G			N/A
PS01/2023	REOYO TRADING ENTERPRISE	21-08-23	31-08-26	PANEL OF SERVICE PROVIDERS FOR MECHANICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT	R2 307 802.02		N/A		PANEL OF SERVICE PROVIDERS FOR MECHANICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT	G			N/A
PS02/2023	NKR BUSINESS ENTERPRISE T/A AUTOZONE BRS	16-08-23	31-08-26	PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	R4 785 785.75		N/A		PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	G			N/A
PS02/2023	PCM ENTERPRISE T/A SPARETEK AUTOMATIVE SUPPLIES	16-08-23	31-08-26	PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	R1 120 893.12		N/A		PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	G			N/A
PS02/2023	MLANGENI GAS AND MOTOR SPARES	16-08-23	31-08-26	PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	R822 720.55		N/A		PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	G			N/A
PS02/2023	KZN SERVICE CENTRE	16-08-23	31-08-26	PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	R3 483 186.15		N/A		PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	G			N/A
PS02/2023	AUTOTECH	16-08-23	31-08-26	PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	R573 347.07		N/A		PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	G			N/A
PS02/2023	FAMOZA	16-08-23	31-08-26	PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	R1 778 625.00		N/A		PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	G			N/A
PS02/2023	ACE MOTORS	16-08-23	31-08-26	PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	R1 778 625.00		N/A		PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	G			N/A
PS02/2023	NKR BUSINESS ENTERPRISE T/A AUTOZONE BRS	16-08-23	31-08-26	PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	R1 725 807.20		N/A		PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	G			N/A
PS02/2023	KZN SERVICE CENTRE	16-08-23	31-08-26	PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	R523 430.26		N/A		PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF SPARE PARTS FOR ALL MUNICIPAL VEHICLES	G			N/A
PS02/2022	NDATE SBONGA PROJECTS	2022-08-01	2025-07-31	PANEL OF SERVICE PROVIDERS FOR PROVISION OF SECURITY SERVICES	R2 233 773.68		N/A		PANEL OF SERVICE PROVIDERS FOR PROVISION OF SECURITY SERVICES	G			N/A
PS 01/2021	MASIPHEPE SECURITY	2022-02-09	2025-02-28	PANEL OF SERVICE PROVIDERS FOR PROVISION OF SECURITY SERVICES	R2 481 095.62		N/A		PANEL OF SERVICE PROVIDERS FOR PROVISION OF SECURITY SERVICES	G			N/A
PS02/2022	NOMASULUMANE TRADING AND PROJECTS	2022-08-01	2025-07-31	PANEL OF SERVICE PROVIDERS FOR PROVISION OF SECURITY SERVICES	R4 682 724.48		N/A		PANEL OF SERVICE PROVIDERS FOR PROVISION OF SECURITY SERVICES	G			N/A
PS02/2022	NDO SECURITY	2022-07-13	2025-07-31	PANEL OF SERVICE PROVIDERS FOR PROVISION OF SECURITY SERVICES	R4 137 727.32		N/A		PANEL OF SERVICE PROVIDERS FOR PROVISION OF SECURITY SERVICES	G			N/A
PS 01/2021	SIZOWAKHA SECURITY AND CLEANING SERVICES	2022-02-09	2025-02-28	PANEL OF SERVICE PROVIDERS FOR PROVISION OF SECURITY SERVICES	R2 14 763.74		N/A		PANEL OF SERVICE PROVIDERS FOR PROVISION OF SECURITY SERVICES	G			N/A
PS02/2022	ZENZELEWENA PROTECTION SERVICES	2022-07-13	2025-07-31	PANEL OF SERVICE PROVIDERS FOR PROVISION OF SECURITY SERVICES	R1 982 114.83		N/A		PANEL OF SERVICE PROVIDERS FOR PROVISION OF SECURITY SERVICES	G			N/A
PS03/2023	MAVAMBO ITS	12-Jun-23	30-Jun-26	INSTALL AND MAINTAIN A TRAFFIC CONTRAVENTION MANAGEMENT SYSTEM	R497 166.66		N/A		INSTALL AND MAINTAIN A TRAFFIC CONTRAVENTION MANAGEMENT SYSTEM	G			N/A
PS 13/2022	COMMIX VISION PTY LTD	1-May-23	30-Apr-26	SUPPLY, FITMENT AND MAINTENANCE OF A VEHICLE MANAGEMENT AND FLEET MANAGEMENT SYSTEM	R241 821.08		N/A		SUPPLY, FITMENT AND MAINTENANCE OF A VEHICLE MANAGEMENT AND FLEET MANAGEMENT SYSTEM	G			N/A

APPENDIX H: DISCLOSURE OF FINANCIAL INTERESTS

Disclosure of financial interests				
Period 1 July 2024-30 June 2025				
Position	Surname	Name	Description of financial interest (Nil or details)	
Mayor	Sibisi	Zama Joel	Nil	
Deputy Mayor	Simelane	Sizwe	Nil	
Exco Members	Dlamini	Thobani Prince	Nil	
	Hadebe	Thulile	Nil	
	Madondo	Sifiso Eric	Nil	
	Madondo	Zamukwenzani Isaac	Nil	
	Mbhele	Mzwandile Beatus	Nil	
	Mchunu	Andile	Director in Qwinyzito and Somakade Trading	
	Njoko	Thabisile Precious	Nil	
	Warasally	Abbas Sheik Dawood	Nil	
	Sithole	Bhekinkosi Petros	Nil	
Speaker				
Councillors	Biyela	Bonisiwe Beauty	Nil	
	Buys	Sharon Ann	Nil	
	Cebekhulu	Sithabiso	Nil	
	Dube	Lucy Thobekile	Nil	
	Dlamini	Nokwazi Barbara	Nil	
	Hlomuka	Londathina Given	Nil	
	Hlonewane	Lindiwe Goodness	Nil	
	Khoza	Mthokozisi Magical	Nil	
	Khumalo	Mthokozisi Vincent	Director in Inkomo-ebomvu Investment	
	Khumalo	Siphamandla Samuel	Nil	
	Kubheka	Gladys Sihlesenkosi	Nil	
	Kubheka	Lindiwe Bongiwe Marrilyn	Nil	
	Kubheka	Sibongile Emily	Nil	
	Kubheka	Xolani Orswald	Nil	
	Madondo	Bongani Nicholas	Nil	
	Magasela	Mzuzwana	Nil	

Majola	Bhekokwakhe Christopher	Nil
Makhathini	Sithembiso	Nil
Mbhense	Monica Ntombeningi	Nil
Mbhense	Ntuthuko	Nil
Mdluli	Khulekani	Nil
Memela	Vusumuzi Fred	Nil
Mhlongo	Xoliswa Fikelephi	Nil
Mjiyakho	Khanyisile Evertrinah	Nil
Mkhasibe	Nkululeko Daniel	Nil
Mlaba	Thulasizwe Christopher	Nil
Mlotshwa	Mosley Ntombizonke	Nil
Mlotshwa	Njabulo	Nil
Mlotshwa	Nkosinathi Petros Bethwel	Nkosi P B Mlotshwa Contractors
Mngadi	Mabutho Siboniso	Advocate Investigative Group T/A Advo-Solution Investigators and Etino-Pharm (Pty) Ltd
Mngadi	Xolani Peacefully	Nil
Msimango	Sanele Lesley	Nil
Mswane	Sakhile Lucas	Nil
Mtshali	Nikiwe Cynthia	Nil
Nene	Siphelele Minenhle	Nil
Ngcobo	Thembinkosi Nicholas	Nil
Ngubane	Sihle Emmanuel	Nil
Nkosi	Lwazilwakhe	Nil
Ntini	Khanyisani	Siyiphiwe Community Development NPC
Nsuntsha	Zandile Pascal	Nil
Nxumalo	Octavia Sindisiwe	Nil
Nzuza	Bhiza Muzomusha	Nil
Nzuza	Phangisani Milton	Nil
Rajkoomar	Anand	Nil
Shabalala	Khanyisile Elizabeth	Nil
Shabalala	Ntandoyenkosi Bisset	Nil

	Shange	Lindokuhle Cynthia	Nil
	Sithebe	Nkosinathi Justice	Nil
	Sithole	Nkosinathi Shadrack	Nil
	Sithole	Sabelo	Nil
	Sithole	Sabelo Marcus	Nil
	Suddaby	Michael Rodney	Nil
	Thabede	Zakhele Thomas	Nil
	Xaba	Austin Bhekisisa	Nil
	Zikalala	Mduduzi Garnet	Nil
	Zikalala	Nonhlanhla Lucia	Nil
	Zikalala	Sandile Brian	Nil
	Zuma	Fana	Nil
	Zungu	Mzwakhe Pamu	Nil
	Zwane	Nkosikhona Excellent	Nil
	Zwane	Simphiwe Xolani Musawenkosi	Nil
	Zwane	Xolani Simphiwe	Nil
	NGIBA	Miss S S	Johannes 1212 100%
Municipal Manager			
	JHETAM	Mr R A	Nil
	KUNENE	Mr M Z	Nil
	MAZIBUKO	Mr R H	Oggokweni 100%; New Café 50%
	MAVIMBELA	Miss S N V	Nil
	NGUSE	Miss N	Nil
	SIMELANE	Mr P B B	HKS Pty Ltd 33.3%; Mshumbu Security Services 100%

APPENDIX I (I): REVENUE COLLECTION PERFORMANCE BY VOTE

DESCRIPTION	BUDGET	ACTUALS
	R	R
Property Rates	322 393 853.00	324 077 063.61
Property Rates – penalties / Interest		
Services Charges - Electricity		
Services Charges – Refuse Removal	585 975 098.00	550 869 022.24
Rental of Facilities and Equipment	36 304 058.00	35 205 590.14
Interest Earned – External Investments	3 201 290.00	3 308 706.29
Interest Earned – Outstanding Debtors	63 617 439.00	61 351 786.07
Fines	52 344 804.00	51 739 943.58
Licences, Permits and Agency Fees	15 393 966.00	16 066 566.15
Transfers and Grants Recognised	6 988 740.00	7 638 156.01
Other Income	504 209 755.00	467 475 499.17
	3 765 534.00	5 667 496.21

APPENDIX I (II): REVENUE COLLECTION BY SOURCE

Information available on the Annual Financial Statements from Page 121-251.

APPENDIX J: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG			
DETAILS	BUDGET	ACTUAL	MAJOR CONDITIONS APPLIED BY DONOR (CONTINUE BELOW IF NECESSARY)
FINANCE MANAGEMENT GRANT (FMG)	R 2 000 000.00	R 2 000 000.00	
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	R 2 471 000.00	R 2 471 000.00	
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)	R 4 000 000.00	R 4 000 000.00	
DEPARTMENT OF SPORTS AND RECREATION GRANT	R 10 794 000.00	R 10 794 000.00	
MUNICIPAL DISASTER RELIEF GRANT (MDRG)	R 4 805 173.00	R 4 805 173.00	
MUSEUM SUBSIDY	R 50 740 000.00	R 18 301 158.00	<i>The application for roll over is done</i>
PROVINCIALISATION OF LIBRARIES	R 260 000.00	R 260 000.00	
RECAPITALISATION OF LIBRARIES (CYBER CADET)	R 2 000 000.00	R 2 000 000.00	
HOUSING ACCREDITATION SUBSIDY	R 822 000.00	R 822 000.00	
MUNICIPAL INFRASTRUCTURE GRANT (MIG)	R 500 000.00	R 0	<i>Application for the roll over is done</i>
CLEANEST AWARD GRANT	R 421 375.00	R 421 375.00	

PROVINCIALISATION OF LIBRARIES	R 6 149 000.00	R 6 149 000.00	
RECAPITALISATION OF LIBRARIES (CYBER CADET)	R 2 394 000.00	R 2 394 000.00	
HOUSING ACCREDITATION SUBSIDY	R 6 156 481.00	R 4 274 521.00	
MUNICIPAL INFRASTRUCTURE GRANT (MIG)	R 82 415 000.00	R 82 095 166.00	<i>Application for the roll over is done</i>

APPENDIX K (I): CAPITAL EXPENDITURE- NEW ASSETS PROGRAMME

DESCRIPTION	ORIGINAL BUDGET	ACTUAL EXPENDITURE
CONSTRUCTION OF LADYSMITH ANIMAL POUND FARM IN WARD 11 PHASE 2	R 2 531 000.00	R 2 434 599.45
CONSTRUCTION OF ROOSBOOM GRAVEL ROAD IN WARD 11	R 3 915 764.00	R 3 911 844.81
CONSTRUCTION OF EMCITSHENI COMMUNITY HALL IN WARD 7	R 2 893 539.00	R 2 821 404.80
UPGRADE OF SWIMMING POOL IN WARD 8 - PHASE 2	R 1 300 000.00	R 1 297 771.94
INSTALLATION OF HIGH MAST LIGHTS IN WARD 7	R 2 443 151.00	R 2 361 801.00
CONSTRUCTION OF LOW WATER CROSSING IN KWAMANZINI IN WARD 26	R 2 958 990.00	R 2 958 541.92
CONSTRUCTION OF GRAVEL ROAD IN MATIWANE IN WARD 23	R 3 911 592.00	R 3 907 242.16
UPGRADE OF PEACETOWN ASPHALT ROAD IN WARD 15	R 4 900 000.00	R 4 893 969.56
INSTALLATION OF HIGH MAST LIGHTS IN WARD 14	R 2 688 474.00	R 2 579 773.75
INSTALLATION OF HIGH MAST LIGHTS IN WARD 17	R 2 662 024.00	R 2 553 543.75
INSTALLATION OF HIGH MAST LIGHTS IN WARD 19	R 2 662 157.00	R 2 568 051.87
CONSTRUCTION OF BURFORD GRAVEL ROAD IN WARD 14	R 4 930 234.00	R 4 907 536.17

INSTALLATION OF HIGH MAST LIGHTS IN WARD 20	R 2 499 555.00	R 2 499 554.90
CONSTRUCTION OF ALFRED DUMA FITNESS CENTRE PHASE 4B (SIG)	R 10 794 000.00	R 10 793 999.98
CONSTRUCTION OF ALFRED DUMA FITNESS CENTRE PHASE 4B (MIG)	R 10 000 000.00	R 10 000 000.01
INSTALLATION OF HIGH MAST LIGHTS IN WARD 30	R 2 644 907.00	R 2 539 117.87
CONSTRUCTION OF DALINKOSI PEDESTRIAN BRIDGE IN WARD 30 – PHASE 2	R 4 000 000.00	R 3 401 962.76
CONSTRUCTION OF ALFRED DUMA FITNESS CENTRE PHASE 4B	R 5 000 000.00	R 4 347 721.24
CONSTRUCTION OF 8KM GRAVEL ROAD IN WAAIHOEK IN WARD 31	R 9 186 329.00	R 9 186 311.44
CONSTRUCTION OF ASPHALT ROAD IN WARD 35	R 5 280 038.00	R 5 280 038.00
CONSTRUCTION OF ASPHALT ROAD IN WARD 34	R 6 116 937.00	R 6 079 050.80
INSTALLATION OF HIGH MAST LIGHTS IN WARD 25	R 2 519 137.00	R 2 499 039.02
INSTALLATION OF HIGH MAST LIGHTS IN WARD 36	R 2 388 780.00	R 2 281 475.80
SKIPS – CLEANEST MUNICIPAL AWARD	R 200 000.00	R 199 999.95
TOOLS OF TRADE AND EQUIPMENT – MAINTENANCE OF SPORTSFIELD GRANT	R 370 000.00	R 321 044.98
REHABILITATION OF ELM STREET	R 1 990 000.00	R 716 447.24
REHABILITATION OF MADRAS ROAD	R 3 000 000.00	R 2 994 135.40
RESURFACING OF TANJORE ROAD	R 2 500 000.00	R 1 804 725.00
REHABILITATION OF NEWCASTLE ROAD	R 6 000 000.00	R 1 898 185.40
REHABILITATION OF SHEPSTONE ROAD	R 8 000 000.00	R 6 140 042.33
RESURFACING OF CHISTY PLACE	R 6 000 000.00	R 0
REFURBISHMENT OF KWAMNANGENI LOW WATER CROSSING	R 3 000 000.00	R 326 093.74
REFURBISHMENT OF MTATENI LOW WATER CROSSING	R 3 000 000.00	R 363 792.91
RECONSTRUCTION OF BURFORD CEMETERY LOW WATER CROSSING	R 3 500 000.00	R 348 020.29

REHABILITATION OF KWAMAYTHANQAZA TO C1 CEMETERY MAIN	R 5 500 000.00	R 3 709 715.22
FURNITURE AND EQUIPMENT (GRANTS)	R 3 656 250.00	R 2 387 429.02
CONSTRUCTION OF ASPHALT ROAD IN WARD 35 (COUNCIL)	R 3 980 189.00	R 3 056 281.36
CONSTRUCTION OF ASPHALT ROAD IN WARD 34 (COUNCIL)	R 2 920 900.00	R 2 340 321.88
CONSTRUCTION OF EMANGWENI LOW WATER CROSSING	R 5 000 000.00	R 2 751 572.80
FURNITURE AND EQUIPMENT (COUNCIL)	R 1 064 584.00	R 1 049 876.32
REFURBISHMENT OF ELECTRICAL	R 3 000 000.00	R 775 600.00
SECURITY CAMERA	R 3 000 000.00	R 2 939 604.13
INSTALLATION OF ALARMS	R 500 000.00	R 267 737.96
IT NETWORKS	R 2 000 000.00	R 1 599 489.58
IT HARDWARE	R 1 200 000.00	R 827 800.33
FUEL BOWSER	R 900 000.00	R 705 000.00
SECURITY UPGRADE AT STORES	R 2 000 000.00	R 1 996 205.00
MUNICIPAL FLEET	R 22 200 000.00	R 20 720 787.58
REFUSE CONTAINERS	R 2 221 000.00	R 1 756 587.00
FIREARMS	R 500 000.00	R 431 917.60
CONTAINERS	R 350 000.00	R 159 879.00
ELECTRICITY STRENGTHENING	R 992 888.00	R 525 952.18
WEIGH BRIDGE AND PURCHASE OF IT EQUIPMENT AND SOFTWARE	R 400 000.00	R 34 576.75
VEHICLES FOR PUBLIC OFFICE BEARERS	R 700 000.00	R 667 975.67
TRAFFIC SIGNS	R 50 000.00	R 33 417.38

APPENDIX K (II): CAPITAL EXPENDITURE- UPGRADE/ RENEWAL PROGRAMME

DESCRIPTION	ORIGINAL BUDGET	ACTUAL EXPENDITURE

APPENDIX L: CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

CAPITAL PROJECT	ORIGINAL BUDGET	ACTUAL

APPENDIX M: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR

CAPITAL PROGRAMME BY PROJECT BY WARD: YEAR 0			
CAPITAL PROJECT		BUDGET	BUDGET SPENT
ELECTRICITY/HIGH MAST LIGHTS			
INSTALLATION OF HIGH MAST LIGHTS IN WARD 14 (MIG)		R 2 688 473.45	R 2 579 993.75
INSTALLATION OF HIGH MAST LIGHTS IN WARD 17 (MIG)		R 2 662 023.45	R 2 553 543.75
INSTALLATION OF HIGH MAST LIGHTS IN WARD 19 (MIG)		R 2 662 156.85	R 2 568 051.87
INSTALLATION OF HIGH MAST LIGHTS IN WARD 25 (MIG)		R 2 519 137.10	R 2 499 039.02
INSTALLATION OF HIGH MAST LIGHTS IN WARD 30 (MIG)		R 2 644 906.85	R 2 539 117.87
INSTALLATION OF HIGH MAST LIGHTS IN WARD 36 (MIG)		R 2 388 780.00	R 2 281 475.80
INSTALLATION OF HIGH MAST LIGHTS IN WARD 7 (MIG)		R 2 443 150.85	R 2 361 801.00
INSTALLATION OF HIGH MAST LIGHTS IN WARD 20 (MIG)		R 2 499 554.90	R 2 499 554.90

APPENDIX N: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics
None

APPENDIX O: SERVICE BACKLOGS EXPERIENCED BY COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)
None

APPENDIX P: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 0				
All Organisation or Person in receipt of Loans *Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0	Total Amount committed over previous and future years
None			R'00	

APPENDIX Q: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71						
DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71						
Month	Declaration made to the:					
	Mayor (Y/N)	Date	Provincial Treasury (Y/N)	Date	National Treasury (Y/N)	Date
July	No declarations made all returns were submitted as per MFMA					
August						
September						
October						
November						
December						
January						
February						
March						
April						
May						
June						

APPENDIX R: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or percentages achieved
N/A		

END