

DRAFT ANNUAL REPORT

2024/25

MANDENI LOCAL MUNICIPALITY

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REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium-Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements.

The financial years contained in this template are explained as follows:

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and
- The other financial years will follow a similar sequence as explained above.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

CHAPTER 1

– MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



It is with great pride and a deep sense of responsibility that I present the [2024/25] Annual Report for the Mandeni Municipality. This report is more than a summary of projects, financials, and statistics — it is a reflection of our collective efforts, community resilience, and the progress we have made together over the past year 2024/25.

It was a year of both challenges and achievements. We have continued to navigate a changing economic landscape, addressed critical infrastructure needs, and made significant strides in areas such as sustainability, public safety, and community engagement. Our commitment to transparent governance, fiscal responsibility, and inclusive decision-making remains steadfast. The 2024/25 financial year marks the fourth year of the cycle of the Integrated Development Planning five-year cycle. In our endeavor in eradicate poverty and under-development and improve the quality of life for our community, the directive of Mandeni Municipality is not unique to the broader mandate given to local government by South African Constitution, reflected in chapter 7 which is local government. The only uniqueness we have are different legitimate expectations of our citizen. Further chapter 10

of the constitution that is public administration s195(d) states that services must be provided

impartially, fairly, equitable and without bias therefore Mandeni Municipality remains committed to democratic governance to ensure that our short, medium, and long-term strategies, priorities, and plans are implemented effectively and efficiently.

Therefore, as the Municipality we are committed to render required services to communities such as transformation and well-being of the lives of our people, clean governance as well as implementing creative and innovative ways to ensure that our service delivery targets are effectively and efficiently achieved. This report will highlight the municipal performance considering six municipal Key Performance Areas.

This includes Municipal Transformation and Institutional development, Basic Service Delivery, Local Economic Development, Good governance and Public Participation, Financial Viability and Management and Spatial Rational and Environmental Management.

The municipality in 2024/25 financial year strived to function and provide essential services such as water, sanitation, electricity and solid waste removal, these are imperatives services as enshrined in RSA constitution under bill of rights. Mandeni Municipality planned several projects such as electrification, roads, solid waste and recreational facilities.

The municipality ensures the safety of the community is prioritized through the installation of the streetlights, that were provided on P415 & P459 in ward 3, as well as Khenana in Mandeni phase 2 in ward 10.

The safety of the community is prioritized through the construction of 25 speed-humps in various wards, as well as the installation of 30 road signs in wards 3,7,13,14&15. Several municipal rural roads were re-graveled, in various wards to ensure that there is an improvement of community infrastructure. This has reinforced the Batho Pele Principles of which local government ought to prioritize. The municipality improved enormously in road infrastructure where the target of 2700 square meters of potholes maintained was set at the beginning of the FY and achieved with 3834.47 square meters.

In the aim of the community members of Mandeni to ensure access to roads, 320 kilometers

of gravel roads maintained were targeted at the beginning of the FY. The target was exceeded, and 333.2 km was achieved in all wards. The municipality ensured drainage systems were channeled properly trough the municipality-associated upgrade of stormwater in Sundumbili in ward 13 phase 1 and ward 13 phase 2& ward 14 white city section. The construction of Mandeni DLTC as one of the catalytic projects, currently the Top structure is 100% practical completion, however, there are some minor challenges that were raised by the Department of Transport such as compliance with a certain DOT standard, hence the final completion certificate has not been issued.

The RSA Constitution under the Bill of Rights, section 24 environment, states that everyone has the right to acquire an environment that is not harmful to their health or well-being. It is for that reason that the municipality performed weekly waste collection in businesses and community households in all 18 wards. The collection commences from Monday to Friday.

The annual target of 261 collections was achieved. However, there are serious challenges surrounding the overall cleanliness of Mandeni. Therefore, this was combatted through the provision of 30 skip bins in all wards. To aid the cleanliness and tidiness of the Mandeni area, 110 wheelie bins were procured, and a target of 16 clean-up campaigns was set in the beginning of the FY, however, a 17-monthly clean-up campaign was conducted in the 2024/25 FY. In addition, 07 brush cutters were procured to ensure the cleanliness in Mandeni.

The municipality ensured the cleanliness of Mandeni through the target of 7 100 458 m² grass cutting. An actual of 9 876 521 m² was achieved. The municipality ensured that everyone has the right to an environment protected for the benefit of present and future generations where conservation is promoted. This is highlighted through the achievement of Arbor Month Celebration on the 11th of September 2024.

The RSA Constitution in Section 26 states that everyone has the right to adequate housing. The municipality ensures that reports on housing delivery are tabled to the Municipal Council and EXCO as well as ensuring that the Housing forum is conducted at a timeously.

The RSA constitution's section 29, states that everyone has the right to basic education. Considering this right, on the 24th of Jan 2025 ,10 Library computers were procured. The municipality ensured that citizens in rural areas had access to education.

156 EPWP participants on various EPWP programs (Zimbambele,) were recruited and sustained. 75 SMME's Supported (Quick Wins) in all wards were achieved ensuring that Local Economic development was prioritized.

Youthful drivers and education programmes were conducted ensuring the empowerment and upliftment of Mandeni youth. Furthermore, 2 bi-annual programmes to support Youth Council and Ward Youth Forums were conducted. The importance of employment has always been the cornerstone of all planning in the municipality. Therefore, 506 jobs created through the implementation of infrastructure projects and Expanded Public Works Programmes were targeted for the 2024/25 FY. 864 was the actual achieved.

The municipality also maintained its consistency in terms of ensuring that the completion of the PMS Assessment tools and PMS Documents, as part of the requirements by the Provincial COGTA was submitted timeously with competence being noted.

Municipal staff were also upskilled during the 2024/25 FY with officials undertaking minimum competency training as well as training in their specific fields through 100% utilization of the Workplace Skills Plan (WSP). Mandeni Municipality will ensure that one of its valuable resources, i.e. its staff, is highly valued and supported. Training, personal development, career-path, talent management, coaching, mentoring, Individual Performance Management and Employment Assistance Programmes are some of the specific interventions that will need to be enhanced.

In terms of governance, the municipality ensured that the Audit Committee and Performance Audit Committee and the MPAC were fully functional and achieved their legislative mandates.

The municipality has successfully managed to conduct all IDP roadshows and has

successfully drafted and adopted the full IDP which includes all relevant stakeholders as per the requirement set forth in the Municipal Systems Act as well as the Municipal Finance Management Act.

Under Municipal Financial Viability and Management, the municipality ensured compliance through the submission of all monthly reports, section 72, section 52 (d) to all relevant stakeholders such as National Treasury, COGTA, etc. The adjustment budget was also tabled to ensure that the smooth operation of projects was conducted.

As the municipality, we, as ever, understand the importance of maintaining a successful financial system. In this regard, we have ensured that 100 percent of our creditors are paid within 45 days.

In terms of the municipal financial status, the ratio of cash and cost coverage sustained was targeted at 1:3 months. The municipality achieved 1:4 months. The municipality performed well with the expenditure of INEP with 100% achieved. 100% of the operational budget was spent, up to 94%. Both MIG and Library grants were also achieved with an actual of 100%. The municipality is still battling to harness overtime, especially basic service delivery departments, such as Technical and Community services, however the mechanism is on

planning stage, which will reduce the overtime.

I would like to reiterate the support of the council working in conjunction with the administration of the municipality in transforming the lives of our people, by implementing practices of good governance, working with integrity, honesty, and transparency, and maintaining a financially viable organization that delivers on its promises of quality service delivery to all people residing within Mandeni Municipality.



Mr. T.P Mdlalose

Honorable Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

COMPONENT B: EXECUTIVE SUMMARY

MUNICIPAL MANAGER'S OVERVIEW



It is with commitment to transparency, accountability, and continuous improvement that I present the Annual Report of the Municipality for 2024/25 financial year. The Annual Report is a legislative requirement in terms of the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA), serving as a key oversight instrument to assess the municipality's performance in delivering services, managing resources responsibly, and executing its strategic objectives as outlined in the Integrated Development Plan (IDP). It is imperative for me extend my gratitude, by thanking the staff, councillors, members of the communities and various stakeholders for the support and commitment shown in 2024/25 FY.

This report provides an integrated reflection of our Mandeni Municipality performance, service delivery achievements, financial management practices, and governance outcomes. It outlines the progress made in meeting our Key Performance Indicators (KPIs), the implementation of capital projects, and the extent to which our administrative and operational systems have supported effective service delivery.

Despite the constraints experienced during the 2024/25 FY, such as financial pressures, operational limitations, and external socio-economic conditions, the municipality remained committed to improving service delivery and advancing developmental priorities. The report highlights areas where significant progress has been made, such as infrastructure development, community service improvements, and governance enhancements. It also candidly acknowledges shortcomings and areas needing intervention, as part of our dedication to strengthening internal controls, financial discipline and performance management. The Municipality achieved several service delivery goals as well as sustained and managed the unqualified audit opinion with findings.

Through this Annual Report, Council and the community are provided with a comprehensive account of how public resources were utilized, what value was derived, and how the municipality intends to address identified challenges going forward. The insights contained herein form a basis for constructive oversight by the Municipal Public Accounts Committee (MPAC), Council, and the public, and will guide the refinement of our future plans and budgets.

As the Municipal Manager, I affirm the administration's commitment to advancing good governance, enhancing institutional performance, and ensuring that the municipality continues to meet its developmental mandate.

We remain focused on improving service effectiveness, building financial sustainability, and fostering a responsive administration that prioritizes community needs.

This report originates from the approved Municipal Strategic Objectives and Service Delivery and Governance Priorities as contained in the approved Municipal Integrated Development Plan.

The Municipality ensured that following significant objectives were effectively and efficiently met.

- To ensure that financial management remained a core priority throughout the year. The municipality continued to work toward enhancing revenue collection, tightening expenditure controls, and improving audit outcomes through strengthened internal controls and compliance measures. While progress has been made, we recognize that sustained effort is needed to build long-term financial sustainability.
- To ensure that administration and Political leadership rendered services with speed on the Municipal Strategic approach and direction and further solicit new ideas and inputs in advancing the Municipal Mandate of quality and sustainable service delivery.
- To improve monitoring ,verification and evaluation method for sustainability for creating the synergy between Municipality function and batho pele principles such as courtesy and service standard.
- To acknowledge successes and failures or challenges and thus review the strategies in effort to maintain focus by the Municipality in attainment of its long-term vision.
- To take stock of progress made in implementing the Municipal Five-Year Strategic

Document (Integrated Development Plan)

- To monitor and modify key service delivery focus areas for the remaining period this term of office of Council.
- The Municipality ensured that their staff embarked on transparency and accountability through the cascading of individual performance management. This has ensured that each employee has taken full responsibility for their daily operations and duties. Hence, the Corporate Services department has appointed an IPMS Officer, which is fully functional during 2024/25 financial year.
- The municipality has ensured that technology has been integrated with PMS to minimize costs by introducing an e-PMS System. This system is paper-less and accelerates operational delays. The system has transformed the way performance information is planned, monitored, reported, and reviewed, contributing to better governance and improved organizational effectiveness.
- Enhanced monitoring and evaluation approach by ensuring that several compliance measures during the 2024/25 financial year were taken into consideration. This was through compliance of all stakeholders, through submission of Annual Report, PMS Assessment tool, C88 Reporting template, section 72 reports, as well as annual performance report as per s46 MSA.
- To ensure that the Municipal Strategic Business Plan (Integrated Development Plan) is in keeping with the new Strategic Development Agenda and new Legislative Frameworks hence credible and remain the main delivery mechanism for Quality Service Delivery.
- RSA constitution under bill of rights S24 states that everyone has the rights to acquire the environment that is not harmful to their wellbeing, therefore it is for that reason that the Municipality continues to strive and function essential services to the community.

- As the Accounting Officer of the municipality, I also ensure that the relevant legislation such as RSA Constitution and MFMA, MSA etc. are implemented accordingly. Section 124 of the MFMA in conjunction with section 219 of the Constitution, stated that the disclosure concerning councilors, directors, and officials must be included to the AFS of the municipality which contain the information of salaries, allowance and benefits of political officer bearers and councilors of the municipality. Those benefits, allowance and salaries are crafted within the upper limits of the framework that is in section 219 of the Constitution.

The senior management still remain with all six posts filled during 2024/25 financial year, Mandeni municipality works co-operatively in terms of sharing information with sector departments such as COGTA. COGTA assesses and guides the municipality with certain municipal operations. Provincial and national treasury activities such as assessing Section 72 reports (budget and mid-year) have also occurred before the 25th of January, during each financial year.

Departments such as agriculture, home affairs, Social Welfare and Human Settlement visit various wards to provide services through OSS programmes (Operation Sukhuma Sakhe). Grants are provided by Human Settlements to build RDP houses. As section 26 of RSA Constitution states that everyone has the right to access adequate housing.

The strategic planning session with our council has resulted in a service delivery plan which is already being implemented in all 18 wards in Mandeni. The plan is not an overnight fix but a short, medium and long term to ensure that all communities within the Mandeni Municipal area have basic essential services.

Establishment of the Mandeni Municipality is as a category B Municipality. This is a municipality that shares municipal executive and legislative authority in its area.

The Municipality approved bylaws in order to guide the community to conduct their businesses.

As the accounting officer of the municipality, one must address projects which highlighted educational approaches. This was through the procurement of a mobile park-home library to ensure that everyone has access to education in the community of Mandeni.

The procurement of several plant equipment during the financial year has solidified the objectives of ensuring the community has access to roads which are graded. This highlights the Batho Pele Principles of service delivery.

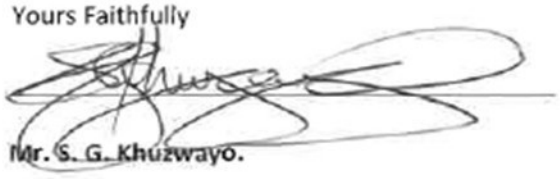
As the Accounting Officer, I have assured that the municipal financial status, ratio of cash and cost coverage sustained was targeted at 1:3 months. Nonetheless, the municipality achieved 1: 4 months. This is a commendable achievement pointing to the financial status of the organization. The expenditure of INEP and Library Grant was achieved at 100%. of the operational budget was spent. The municipal had also managed to achieved 100% MIG which was commendable performance.

It is admirable to note the improvements in relation to our spending and expenditure patterns, but we need to do more. The existent excuse of lack of resources might be a

sincere one, but the key question is how efficiently we use the resources at our disposal. It is clear from this annual report that we are moving in the right direction, although not there yet. It is of principal importance to synchronize our quarterly plans with quarterly targets to achieve our broader goals of an effective and efficient Local Municipality

The municipal overall performance because of these challenges remained satisfactory but all efforts shall be put in place to ensure that there is improved level and quality of service delivery to the Community with high level of speed.

Yours Faithfully



Mr. S. G. Khuzwayo.

Municipal Manager

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Mandeni Local Municipality is located along the northern coast of KwaZulu-Natal approximately 50km north of eThekwini Metro and south of the uMhlathuze Municipality. It lies along the N2 National and Provincial corridor, as well as the north-south rail link connecting the economic hubs of Durban and Richards Bay. As such, the municipality is strategically located to provide services and derive economic benefits from these economic hubs. Mandeni Local Municipality is one of the four (4) local municipalities that make up the iLembe District. The other local municipalities are KwaDukuza, Maphumulo and Ndwedwe.

Mandeni Municipality covers approximately 545.48km2 and is made up of 18 Electoral Wards. The municipality is predominantly rural in character, with Ingonyama Trust land accounting for the majority of its land mass. There are four Traditional Council areas within the municipality's area of jurisdiction, namely:

Map 1: Mandeni Locality Map



Mandeni Local Municipality has excellent regional transportation linkages with the national road – N2 – serving the province, the two major ports of Durban and Richards Bay, the railway line which serves as an important link between the ports as well as the hinterland parts of South Africa and the airports – both existing and proposed, including the Isithebe airstrip.

The identification of the eThekwini-uMhlathuze Corridor places Mandeni Local Municipality in an advantageous position as it is located in between these two municipalities. It stands to benefit hugely from economic activities that will accrue as a result of this initiative.

Mandeni Local Municipality also functions as an important service center for a substantial rural hinterland which lies to the west beyond the eNdulinde Hills. There are no other service centers in the tribal areas and therefore the urban center of Mandeni serves as an important sub-regional service center for the 'shadow corridor of poverty' which tracks the 'development corridor' along the coast. Mandeni is in fact arguably the only place along the coast where the development corridor and the shadow corridor of poverty meet, and hence the acknowledgement of its potential in the Provincial Spatial Framework.

Mandeni Local Municipality is made up of 18 wards. There are four Traditional Authorities namely, iNkosi uMhlongo, iNkosi uMathonsi, iNkosi uMcambi and Nkosi uNgcobo. The

majority of the land within the municipality is owned by Traditional Authorities. Some of the wards fall within these Traditional Authorities, such as Ward 1,2,8, and 9 which fall under Macambini Traditional Authority, ward 6,11, and 16 falls under eLangeni Traditional Authority and ward 5,7,12,13,14,15 and 17 falls under the Mathonsi Traditional Authority.

Informal settlements with limited to no facilities or infrastructural services occur on the periphery of the developed areas and within the Isithebe Industrial area and Sundumbili Township. This is also evident in the periphery of the well-established Sundumbili Township and Mathonsi tribal authority area eastwards of the hinterland. Village centres such as Wangu in the west and Nyoni in the north-eastern side comprise of commercial and service development in the two tribal authorities of Mathonsi & Macambini.

The Mandeni Municipality is strongly committed to develop its character as an area of scenic beauty and strong developmental contrasts. As a potential and growing tourist destination, it will enhance its visual and aesthetic appeal. The municipality aims at improving physical and functional integration by establishing a functional town center. The Mandeni municipality aims at increasing economic efficiency of the Municipal area and ensuring that there is improved investor confidence therefore attracting more development to occur within the area.

COMMENT ON BACKGROUND DATA:

The key findings were derived from Census 2022 conducted by Stats SA . Some of the data/information that was obtained is used for comparison purpose. The table below illustrates the population, sex and dependency ratio. The findings illustrate demographic profile from the national to local level (Mandeni Municipality).

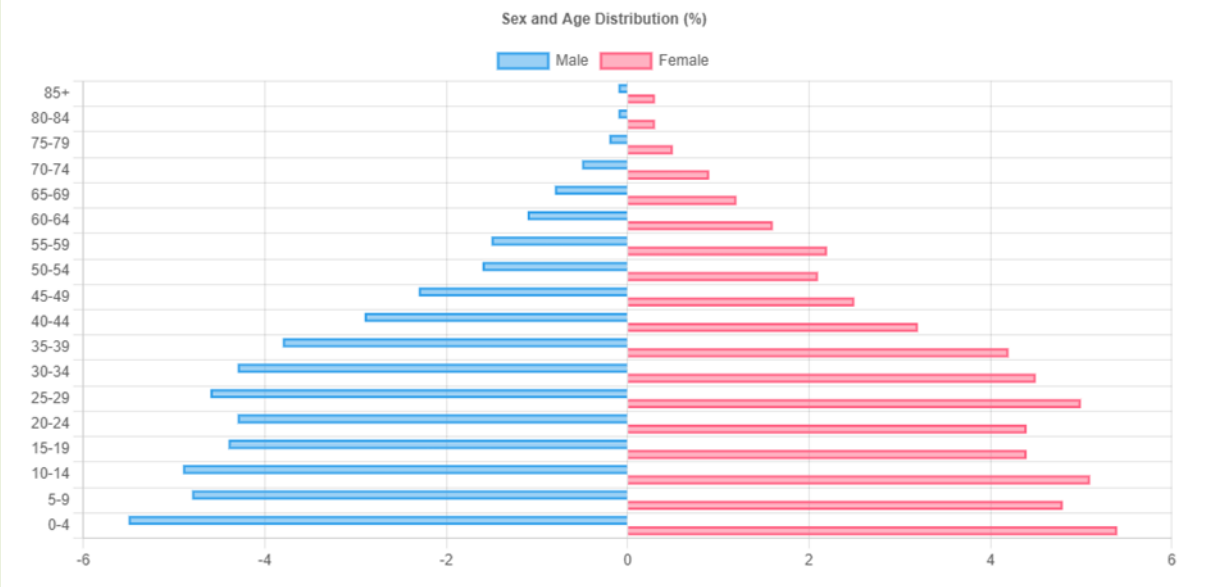
Table 1.3.1 Population Details

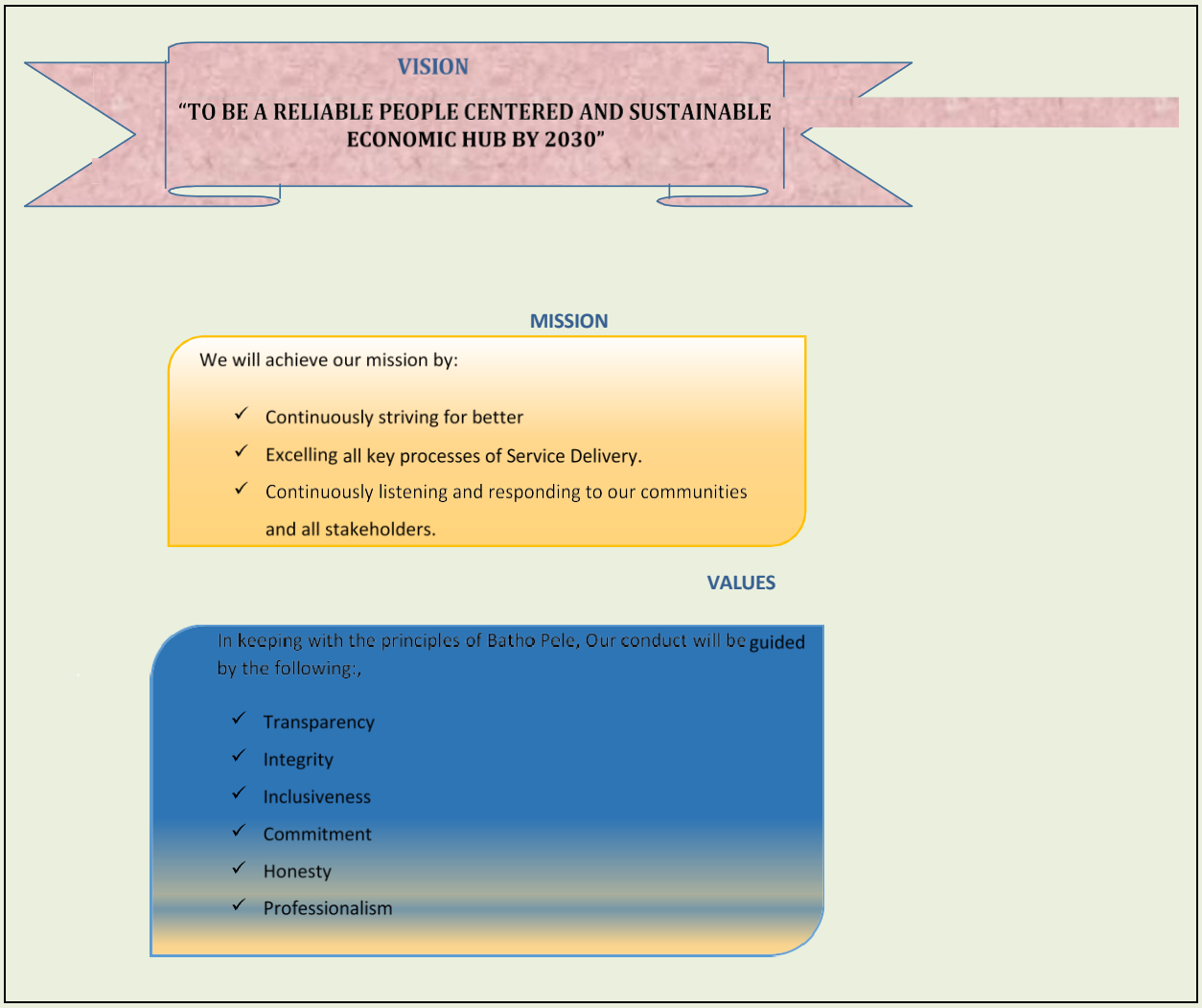
Indicator	Sub Indicator	Population	% of population
Population	**Population**	**180939**	
Population	**Young (0-14)**	**55 095**	**30%**

Composition	**Youth (15-34)**	**64 900**	**36%**
	Adults (35-64)	**52 223**	**29%**
	Elderly (65+)	**8702**	**5%**
Gender	**Male**	**85 891**	**47,5%**
	Female	**95 049**	**52,5%**

	Male	**Female**
0 – 4	**9893**	**9848**
5 – 9	**8595**	**8673**
10 – 14	**8872**	**9232**
15 – 19	**7883**	**8022**
20 – 24	**7719**	**7959**
25 – 29	**8317**	**9044**
30 – 34	**7790**	**8166**
35 – 39	**6874**	**7525**
40 – 44	**5230**	**5768**
45 – 49	**4089**	**4543**
50 – 54	**2976**	**3821**
55 – 59	**2645**	**3952**
60 – 64	**1970**	**2830**

65 – 69	**1430**	**2086**
70 – 74	**819**	**1624**
75 – 79	**447**	**833**
80 – 84	**202**	**570**
85+	**139**	**552**





1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The Technical Services Department (TSD) is primarily responsible for the maintenance, upgrade and provision of new municipal infrastructure assets and service delivery. It consists of the following divisions:

- Technical Administration/Planning and Projects (PMU);
- Roads and Storm Water Repairs and Maintenance.
- Parks, Verges and Open Spaces Maintenance.

- Municipal Buildings Repairs and Maintenance (Works);
- Electricity Distribution; Street lighting; installations and Mechanical Workshop.

The municipality has initiated a process towards the establishment of a Programme Management Unit (PMU) to create sufficient capacity within this department and reposition the municipality to deliver sustainable infrastructural services. The PMU will comprise of appropriately qualified, skilled, and experienced personnel. It will manage all major capital projects, bring expertise, develop systems and procedures and transfer skills and knowledge to municipal staff to leave behind a well capacitated unit on exit.

Mandeni Municipality holds Infrastructure Development Summit started in November 2013 to bring together all relevant stakeholders from varying sectors of society to engage and discuss the infrastructure related challenges facing the municipality and identify possible solutions. Solutions were identified; programs and action plans were developed to help the municipality to achieve its true potential. The recommendations have been incorporated into the organizational strategy.

COMMENT ON ACCESS TO BASIC SERVICES:

All formal households have access to basic civil engineering services. Informal areas within the urban edge have been provided with a minimum level of basic services since 2007. The provision of services to the informal areas is because of rural-urban migration and new family formation which makes planning difficult. An assessment is made annually to determine the backlogs to be addressed based on available funding. Theft and vandalism disrupt the provision and maintenance of services.

Even though Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section on Free Services shows that the amount spent on Free Basic Services and the revenue cost of

free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

1.4 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Organizational development function falls under the Human Resource Section. Its main objectives are: To manage organizational design and business modelling, co-ordinate culture and change management, administer job descriptions, job evaluation system management, and to develop and maintain an effective employee performance appraisal system and awards process.

The organizational strategic performance, however, sits in the office of the Municipal Manager, with functions of providing Strategic Scorecard provides the Council with a measurable tool enabling them to fulfil their oversight role in overseeing strategy implementation and consist of the following key elements:

- Strategic Outcomes
- Strategic Key Performance Indicators
- Strategic projects

This document, the Mandeni Municipality Employment Equity Plan (EEP) is prepared in conjunction with the requirements of the Employment Equity Act 55 of 1998' hereinafter referred to as the Act, the associated Regulations and Codes of Best Practice. The (EEP) addresses all aspects of Affirmative Action measures defined by the Act, to redress the disadvantages in employment experienced by designated groups to ensure their equitable representation in the all-occupational levels and levels in the workforce.

The Mandeni Municipality Employment Equity Plan (EEP) which covers the period of 2012 to 2018 is prepared in conjunction with the requirements of the Employment Equity Act 55 of 1998' hereinafter referred to as the Act, the associated Regulations and Codes of Best

Practice. The (EEP) addresses all aspects of Affirmative Action measures defined by the Act, to redress the disadvantages in employment experienced by designated groups to ensure their equitable representation in the all-occupational levels and levels in the workforce.

1.5. STATUTORY ANNUAL REPORT PROCESS

The Municipal Finance Management Act No. 56 of 2003, Chapter 12, prescribes that every municipality must prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of the financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129. The purpose of an annual report is –

1. to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates.
2. to provide a report on performance against the budget of the municipality or municipal entity for the financial year; and
3. To promote accountability to the local community for the decisions made throughout the year by the municipality or municipality.

3.1 The annual report of municipality must include –

3.2 the annual financial statements of the municipality, and in addition if section 122 (2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126 (1);

3.3 the Auditor-General's audit report in terms of section 126 (3) on those financial statements; and

3.4 The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act.

The accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit those statements to the Auditor-General for auditing and the accounting officer of a municipal entity must prepare the annual financial statements of the entity and, within two months after the end of the financial year to which those statements relate, submit those statements to the parent municipality of the entity and the Auditor-General for auditing. The Auditor-General must audit those financial statements and submit and audit report to the accounting officer of the municipality or entity within three months of the receipt of the statements.

The mayor of a municipality must, within seven months after the end of the financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control. The council of a municipality must consider the annual report of the municipality of municipal entity, and by no later than two months from the date on which the annual report was tabled in council, adopt an oversight report containing council's comments on the annual report which must include a statement whether the council-

1. Has approved the annual report without reservations;
2. Has rejected the annual report; or
3. Has referred the annual report back for the revision of those components that can be revised.

To give effect to the above legislative requirements, Mandeni Municipality adheres to the table above to ensure the communities of Mandeni Municipality can view the contents of the Annual Report on time; the table serves as a strict and legislated guide.

The Mandeni Municipality in 2024/25 Financial Year acquired an unqualified audit with matters/findings.

Municipality has developed comprehensive interventions to address these challenges and will be monitored through relevant structures, which is attached in terms of circular 63 of the MFMA in chapter 6.

CHAPTER 2
– GOVERNANCE

INTRODUCTION TO GOVERNANCE

CHAPTER 2

INTRODUCTION TO GOVERNANCE

The nature of governance within the Municipality is such that it is spread in four major components with various structures exercising some authority and accountability in various levels. The following depicts the governance components:

- Political Governance Structure, this governance structure deals with the political governance of the Municipality through Political Office Bearers, Council, Committees;
- Administrative Governance Structures, this governance structure on the other hand focuses on the administration and management of the Municipality is vested in the Municipal Manager who is the Accounting Officer. The Municipal Manager is assisted by the Senior Management Team of the Executive Managers. The Municipal Manager is tasked with the establishment, development and management of sound and effective municipal administration;
- Intergovernmental Relations, the Executive Mayor is the custodian of the intergovernmental relations fora. There are various structures that have been established at the local and provincial level to promote engagement between Municipalities, Sector Departments, State Entities, and etc;

- Public Accountability and Participation, the Mayor assisted by the Municipal Manager is responsible for the community engagement and participation in the affairs of the Municipality, such as IDP, budget processes, public meetings/Mayoral Izimbizo, etc;
- Corporate Governance, the Municipal Manager assisted by Senior Managers is responsible for the Corporate Governance of the Municipality. This entails risk management & anti-corruption and fraud, internal audit, Supply Chain Management, Oversight Committees, Policies and By-laws, integrated reporting, etc.

2.1. POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political & administrative governance at Mandeni Municipality comprises of the elected councillors and the respective senior managers and the way they actually work together on a day-to-day basis in order to achieve organizational goals

The political governance of the Municipality is derived from the Constitution of 1996 which directs in Section 151 (3) that the Municipality has the right to govern on its own initiative, the local government affairs of the local community. The legislative and executive authority of the Municipality is vested in the Municipal Council.

The Municipal Systems Act Chapter 7 Section 50-52 directs that the Municipality must within its administrative and financial capacity establish and organize its

administration in a manner that would enable the Municipality to respond to the needs of the community, facilitate the culture of public service and accountability. The Administration of the Mandeni Municipality under the stewardship of the Municipal Manager who exercises the administrative governance of the Municipality.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

In compliance with Section 151(3) of the Constitution, Section 53 of the Systems Act (Act 32 of 2000) and the Municipal Structures Act (Act 117 of 1998) Mandeni Municipal Council govern the local government affairs of the local community on its own initiative. The roles and areas of responsibility of each political structure and each Political Office Bearer of the Municipality and of the Municipal Manager is defined and adhered to accordingly.

The Political Leadership of the Municipality comprises of elected Councillors through both the Ward System and Proportional Representation, is led by the Mayor. On the other side the Administration of the Municipality is composed of Executive Management appointed in terms of Section 56 and 57 of the Municipal Systems Act as amended. The Municipal Manager is the head of Administration. In order to realise the Constitutional mandate of the Municipality these two components, including the Community, have to work together.

2.1 POLITICAL GOVERNANCE

COUNCIL

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Mayor and the Executive Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision-makers, councillors are also actively involved in community work and the various social programmes in the Municipal Area and through the ward committees established in each of the 18 wards.

The municipality's political affairs are managed through an Executive Committee (EXCO) headed by the mayor. There are different Portfolio Committees, each headed by a member of the Executive Committee established to ensure effective governance.

EXECUTIVE COMMITTEE

The Honorable Mayor of the Municipality, assisted by members of the Executive Committee, heads the executive arm of the Municipality. The mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the mayor, delegated by the Council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Mayor operates in concert with the Executive Committee.



HIS WORSHIP: THE MAYOR Cllr. T.P Mdlalose

The Mayor is the leader of the council and has a number of roles which are both legislative and functional. The legislative requirements are outlined in Section 73 and 73AA of the Local Government Act 1989.

The LG Act states that the functions of the Mayor of a Council include:

- - Providing guidance to Councillors about what is expected of a Councillor, including in relation to the role of a Councillor under section65, and the observation of the Councillor - -Conduct Principals and the Councillor Code of Conduct under section 76B, 76BA and 76C

- Acting as the principal spokesperson for the Council
- Supporting good working relations between Councillors
- - Carrying out the civic and ceremonial duties of the Office of the Mayor

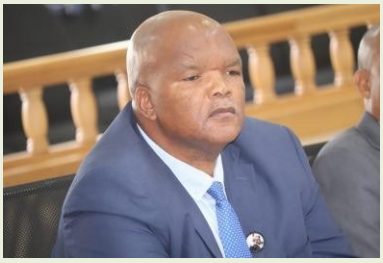


HIS WORSHIP: THE DEPUTY MAYOR Cllr. B.L MAGWAZA

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



Cllr.P.M Sishi



Cllr. B.A Mchunu

 Cllr. B.L Magwaza	 Cllr. S.Z Mdletshe
 Cllr.M.Shelembe	 Cllr. S.C Mdletshe

PORTFOLIO COMMITTEES

Section 80 committees are established to advise the mayor on policy matters and any other matter to be considered by the Mayor. They are assigned to specialise in a specific functional area of the Municipality and can only make decisions on specific functional issues if delegations have been granted to them. They are appointed by Council and the Chairperson is appointed by Council.

The municipal administrative departments report to council via EXCO through its Portfolio Committees of relevance in terms of the key areas for performance. The following are the portfolio committees that have been established:

- Community Service and Public Safety
- Economic Development Planning and Human Settlement
- Budget and Treasury
- Infrastructure Development and Technical Services
- Local Public Administration and Human Resources

- Special Programmes

Section 79 committees are permanent committees appointed to advise the Municipal Council. Council established the Municipal Public Accounts Committee (MPAC) to perform an oversight function on behalf of Council over the executive functionaries of the Council. MPAC inter alia serves as an oversight committee to make recommendations to the Council when it adopts the Oversight Report on the Annual Report in terms of section 129 of the Municipal Finance Management Act.

RULES COMMITTEE

This committee is normally chaired by the Speaker of Council and is normally composed of Chief Whips of all political parties represented in Council and other members that Council may add.

Terms of Reference

- Look at the implementation of Councillor Code of Conduct and adherence thereto
- Look at the implementation of Council Rules of Order and Standing Orders
- Advise Speaker and Council on matters needing attention
- Look at Council Dress Code and other matters related to council activities.
- Advise the Speaker and Council on matters requiring disciplining of councillors when Rules and Standing Orders are broken.

- Advise the Speaker and Council on the appointment of Ad Hoc committees when need arises
- Regularly reports to Council on its work and activities.
- Regulate Internal Functioning of Council and its committees.

AUDIT COMMITTEE AND PERFORMANCE AUDIT COMMITTEE

In terms of section 166(2) of the MFMA, Council has an Audit Committee which is an independent advisory body which must advise the Municipal Council, the political office-bearers, the accounting officer and the management staff of the Municipality, on matters relating to:

- Internal financial control.
- Risk management.
- Performance management; and
- Effective governance.

COUNCILLORS

Councilors are elected by the local registered voters in terms of the local segment of the Voter's Roll to serve a predetermined term of office on the local council as representatives of their respective constituencies. Mandeni Local Municipality has a total of 35 seats. Eighteen (18) of these seats are allocated to ward councilors who

are elected by each of the eighteen wards. Another seventeen (17) seats are allocated top parties through the proportional representation system of elections.

ALLOCATION OF COMMITTEES

Mandeni Local Municipality has five (5) Section 80 Committees established by Council. Each one of these committees is chaired by the members of Executive Committee, and the allocation is as follows:

A. ECONOMIC DEVELOPMENT AND HUMAN SETTLEMENT			
1. CLLR	SZ	MDLETSHE	ANC -Chairperson
2. CLLR	MC	MKHALIPHI	ANC
3. CLLR	S	NTULI	ANC
4. CLLR	N	MPANZA	IFP
5. CLLR	F	GINA	IFP
6. CLLR	N	KHUZWAYO	EFF
7. CLLR	SS	MDUNGE	ANC

B. INFRASTRUCTURE DEVELOPMENT TECHNICAL SERVICE			
1. CLLR	ST	MAGWAZA	ANC – Chairperson
2. CLLR	DGP	MTHEMBU	ANC
3. CLLR	S	MTHEMBU	ANC
4. CLLR	ST	THWALA	ANC
5. CLLR	N	MPANZA	IFP
6. CLLR	M	NCANANA	IFP
7. CLLR	SJ	MATHONSI	AIC

C. LOCAL PUBLIC ADMINISTRATION HUMAN RESOURCE			
1.	CLLR	M SHELEMBE	IFP -Chairperson
2.	CLLR	L XHAKAZA	MK
3.	CLLR	N DLUDLA	ANC
4.	CLLR	MB NGIDI	ANC
5.	CLLR	SJ MATHONSI	AIC
6.	CLLR	Z NXUMALO	IFP
7.	CLLR	X MATHONSI	ANC

D. FINANCE			
1.	CLLR	TP MDLALOSE	ANC -Chairperson
2.	CLLR	CT MHLONGO	ANC
3.	CLLR	NO DLADLA	ANC
4.	CLLR	ME NDWANDWE	EEF
5.	CLLR	N NCUBE	IFP
6.	CLLR	LS ZUNGU	IFP
7.	CLLR	MB NGIDI	ANC

E. COMMUNITY SERVICES AND PUBLIC SAFETY			
1.	CLLR	BL MAGWAZA	ANC -Chairperson
2.	CLLR	SS MDUNGE	ANC
3.	CLLR	ST THWALA	ANC
4.	CLLR	CL MTHEMBU	ANC
5.	CLLR	SP NAICKER	DA
6.	CLLR	ME NDWANDWE	EFF
7.	CLLR	BA KHUMALO	IFP

POLITICAL DECISION-TAKING

The Standing Rules and Orders of Council and various pieces of legislation including the Constitution of the Republic of South Africa provides for the processes of decision making by Council.

All issues pertaining to the matters listed below are dealt with by Council and the resolution passed through the supporting vote of the majority of members of Council:

a) Approval of Budget

b) The imposition of rates and taxes, levies and duties.

c) The passing of By-laws.

d) The raising of loans.

Other matters are delegated to the Executive Mayor in terms of Section 59 of the Municipal Systems Act. The Executive Mayor must report to Council on the execution of duties delegated to her. All other matters before Council are decided by the majority of votes cast in a particular meeting.

If on any matter there is an equality on votes cast, the Speaker exercise a casting vote in addition to that of him being a Councilor.

Before a Council passes a resolution on any of the following matters it shall first require the Mayor to play his executive role and submit a report and recommendation to the full sitting of Council.

a) The passing of By-laws

b) The approval of budgets

c) The imposition of rates

d) The raising of loans

e) The approval of the IDP and any amendments or reviews of this plan.

f) The appointment and conditions of service of the Municipal Manager and Managers directly accountable to the Municipal Manager.

g) And any other powers and functions as prescribed by various pieces of legislation.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

Chairperson	**Cllr. S. Shandu (Chairperson)**	**ANC**
Member	**Ms. N.N Mathunjwa**	**EFF**
Member	**Mr. D Mthembu**	**ANC**
Member	**Mr. S Mathonsi**	**IFP**

FUNCTIONS

The MPAC is a committee of the municipal council, appointed in accordance with section 79 of the Structures Act. The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality. This will include oversight over municipal entities. For the MPAC to fulfil this oversight role, it needs to be provided with the necessary information and documentation to interrogate the actions of the executive.

REPORTING

The MPAC reports directly to the municipal council and the chairperson of the MPAC must liaise directly with the speaker on the inclusion of reports of the MPAC in the council agenda. As the MPAC is a committee of the council, its reports are submitted directly to the council without being submitted to the Executive Committee. The chairperson of the MPAC liaises directly with the speaker on the inclusion of its report in the council agenda, and the committee staff ensures that the documentation is physically included in the agenda of the council meeting.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipality has established a process or mechanism to regularly evaluate the staff establishment and if necessary, review the staff establishment, in line with organizational objectives and development priorities. This mechanism provides for the review of the organizational structure at the beginning of the financial year, which entails revisiting each Department and Business Units to ensure that they respond to the priorities contained in the Integrated Development Plan (IDP). The organizational design and the structure of the Municipality are such that it seeks to respond to both national and local government priorities of:

a) Municipal Institutional Development & Transformation.

b) Basic Service Delivery

c) Local Economic Development

d) Municipal Financial Viability

e) Good governance

f) Building Local Economies to create more employment & sustainable livelihood.

g) Improve local public services and broaden access to services

h) Promote more active community participation in local government

i) Effective, accountable, and clean local government

The Municipal Manager is the Head of Administration and plays a pivotal role in the functioning of the Municipality. The Municipal Manager subject to policy direction by Council must organize the Administration in the manner that enables Council to hold the Municipal Manager accountable for the overall performance of the Municipality.

As head of the administration, the municipal manager is responsible for the formation and development of an economical, efficient, and accountable administration, which is equipped to implement the IDP, operates within the municipality's performance management system, and is responsive to the needs of the local community to participate in municipality. The municipal manager manages communication between the political structures and office-bearers and the administration.

To be able to give fruition to the requirement to run an efficient, economical, and accountable administration, the operations of the municipality are divided into six directorates:

a) Office of the municipal Manager

b) Budget and Treasury

c) Corporate Services

d) Community Services and Public Safety

e) Economic Development, Planning and Human Settlements

f) Technical Services and Infrastructure Development

. TOP ADMINISTRATIVE STRUCTURE



MUNICIPAL MANAGER

Mr. S.G Khuzwayo

Municipal Manager is responsible for the operations and performance in the following sections:

- Responsible for setting up effective and sound local administration;
- Coordinates the compilation of IDP;
- Responsible for PMS of the Municipality;
- Oversees the management of internal audit;
- As the Accounting Officer has overall responsibility for finances of the Municipality;
- Advice Political Office Bearers and Council on various issues;
- Responsible for compliance of the Municipality with various pieces of legislation;
- Must ensure community participation in the affairs of the Municipality;
- Legal Services; and
- Risk Management
- Property Valuations.



CHIEF FINANCIAL OFFICER

Miss N. GUZANA



DIRECTOR: CORPORATE SERVICES

Mr. V.P Zulu

Corporate Services Director is responsible for the operations and performance in the following sections:

- Information and Communications Technology.
- Administration and Auxiliary Services.
- Human Resources and
- Council Secretariat

DIRECTOR: TECHNICAL SERVICES

Mr. S DLAMINI



- Project Management.



DIRECTOR: ECONOMIC DEVELOPMENT & PLANNING HUMAN SETTLEMENTS

Mr. Mbongwa

Economic Development & Planning Human Settlements is responsible for the operations and performance in the following sections:

- Local Economic Development.
- Development Planning.
- Strategic Planning/IDP.
- Human Settlements and
- Building Control.



DIRECTOR: COMMUNITY SERVICES AND PUBLIC SAFETY.

Mrs. Bongani Sithole

The community Services Department is primarily responsible for the social wellbeing of the community. It comprises the following sections:

- Library Services;
- Parks, Verges and Gardens Community Facilities;
- Community Development;
- Public Safety
- Fire and Rescue Services and Disaster Management;
- Security Services
- Cemeteries & Crematoria and
- Waste Management

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

The municipality strengthened the functioning of the following structures established according to the provisions of the Intergovernmental Relations Framework Act no 13 of 2005. These high-level strategic forums are as follows: IDM Intergovernmental Relations Forum, Executive Mayors Forum, District Speakers Forum, Municipal Managers Forum, Chief Financial Officers Forum, IDP Representative Forum and PMS Forum.

The above forums are established to share best practices among others and to ensure compliance. These forums focus mainly on issues of progressive governance and unblocking bottleneck within certain spheres. Such forums must be attended to check and report on service delivery. Once these forums are successful, service delivery will be achieved, and we will have communities that are happy.

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Mayor and Municipal Manager of Mandeni LM attend the Premier's Co-ordinating Forum (PCF). The IDM enjoys the advantage of having the Mayor as the Chairperson of SALGA, which then puts the Region in a better position to influence SALGA in strategic issues that are of interest to the Region and South Africa as a whole. Members of the Mayoral Committees (MMCs) also attend, and in some cases chair SALGA working groups. The IDM also sends representatives to SALGA Provincial and National Members' Assemblies.

Inter-Governmental Forums (IGR) are functioning well at District level. The mayors IGR Forum has a year programme scheduled for monthly meetings. The Speakers', Chief Whips' and MMCs' Forums as well as the Troika meetings are operating. The MMCs also have established relations with their respective Member of Executive Committees (MECs) and in some cases, national government departments as well

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Municipality participates in the Premiers' Inter-Governmental Forum as well as the Provincial Speaker's Forum.

The Municipal Managers also have a Provincial and National Forum. In all these Forums, issues pertaining to service delivery and matters of common interest are discussed.

Information and best practices are shared and the interaction with Province and other municipalities is valuable to have a better co-ordination and co-operation.

Various forums in which officials participate are also structured at Provincial level, e.g., Communication Forum and SALGA Technical workgroups.

Councillors and Officials also participate in SALGA working groups in which valuable information is shared.

RELATIONSHIPS WITH MUNICIPAL ENTITITIES

The Mandeni Municipality has no municipal entities; however, the Enterprise ILembe has been established within the ILembe District Municipality.

DISTRICT INTERGOVERNMENTAL STRUCTURES

IGR in the ILembe District was initially introduced in 2006 and has since developed fully. There is coordination in the functions of the district family of municipalities. It has provided a platform for the district municipalities to plan and synchronize all the programmes and projects that are inter-reliant as provided by the IDP's.

There are 10 Forums within the district, with the District Intergovernmental Forum being the highest authority. All Forum is constituted by senior officials from the Local Municipalities, District Municipality, Provincial and National Sector Departments. Each forum meets as indicated in the structure above to discuss issues pertaining to its portfolio and functions with an aim to devise a plan on how these entities can collectively work towards achieving their respective IDP objectives and National priorities/outcomes.

The Sub-Forums then report to the Technical Support Forum (made up by Municipal Managers) for discussion and recommendation. The Technical Support Forum in turn reports to the District Intergovernmental Forum (Mayors Forum).

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. PUBLIC MEETINGS

Public participation is an institutionalized function in our Municipality. Our communities have learned to appreciate the elaborative process which ensures that all interested residents are afforded ample opportunity to make meaningful contributions to policy development and planning for developments in the municipal jurisdiction. The evolution of ward-based planning and the related establishment of ward committee system have elevated community participation to higher level in terms of legal provision and institutionalization of the process. Mandeni Local Municipality, through the Office of the Speaker, liaise continuously with communities through ward committee members and other stakeholder forums.

To facilitate maximum participation by ward committee members, the Municipality provides stipends for each member.

In the promotion of public accountability and participation members of the public are invited to attend all meetings of the Council and its committees. Another mechanism of public participation is conducted through Mayoral Budget and Integrated Development Plan (IDP) Izimbizo's. These are held prior to developing the draft budget to provide feedback to the community about the implementation of projects in the current financial year and to illicit the needs of the community in order to provide input for the new financial year. A second (IDP) Izimbizo is held once the draft budget has been developed in order to inform the public of key elements in the proposed budget and illicit responses thereto.

2.5. IDP PARTICIPATION AND ALLIGNMENT

The Municipal Systems Act as promulgated in 2000 describes the various core processes that are essential in realizing a system of developmental local government. These aspects include participative governance, IDP, performance management and reporting, resource allocation and organisational change. These processes are linked into a single cycle at the local level that will align various sectoral initiatives from national and provincial government departments with municipalities own capacities and processes, including alignment with district initiatives. The process plan is a document that is developed for this very purpose it outlines the framework/process for the alignment and engagement in the review of the Integrated Development Plan. This is done in alignment with parallel processes like the Budget and the Performance Management System. Every year around the end of August, the Municipality finalize a Process Plan which is approved by Full Council, once approved a public notice is posted to our website and various newspapers inviting members of public as well as various stakeholders to make submissions with regards to developmental priority needs.

The very same Process Plan is posted on the Mandeni website where different activities and milestones are reflected in terms of the IDP review and PMS and Budget implementation and monitoring. The Mandeni Municipality has a structured program of public participation. This program is reflected in the Process Plan and forms the basis for citizenry engagement framework which is currently mooted in a form of a public participation policy.

The following are forms of citizenry participation that are utilized by the Municipality to ensure the citizen and stakeholders voices are accommodated in the planning, execution and review of the IDP, Budget and PMS processes:

- Ward Committee Monthly Meetings
- Stakeholders Quarterly Meeting (Reporting on PMS Progress/SDBIP and IDP
- Monthly Community Meetings by Councillors (due to financial constrains-are held once in two months /6 meetings per annum per ward
- Project Based Meetings
- Sector Plan Based Engagements
- Executive committee
- Full Council Meeting
- Integrated Development Planning Meetings:
- Izimbizo: Public Meetings for Budget, IDP etc.
- Municipal Property Rates Act (MPRA)
- Service Standard or Charter
- Community Based Planning

- Complaints Register: Customer Care and Batho Pele Engagements
- Sukuma Sakhe – Premier's Flagship Tool for Accelerated Service Delivery at a Ward Base Level
- Attendance to invitations by Interest groups
- Partnerships and MOUs: MIDI,
- Inaugural State of the Municipal Address (SOMA)

The public participation mechanisms/forums listed above are conducted throughout the year specifically at an operational level and then some of them are organized on a fortnightly, monthly, quarterly and annually as reflected in our Process Plan, the intergovernmental relations and citizenry participation system model is presented for adoption by Full Council which forms the basis for Public Participation Policy.

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The Municipality formulated a programme with ward numbers, dates, time, and venues for public meetings in relation to IDP review. The programme included stakeholders such as the business community and the rate payers. All the stakeholders were engaged on IDP review, Budget, and Performance Management System in terms of the KPAs and KPIs. At the end IDP representative forum meeting resolutions were taken after participation by sector departments and NGO's, which were relevant to partake in the discussion of Mandeni IDP review all our meetings were successful with meaningful participation of the public.

IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	**YES/NO**
Does the municipality have impact, outcome, input, output indicators?	NO
Does the IDP have priorities, objectives, KPIs, development strategies?	YES
Does the IDP have multi-year targets?	YES
Are the above aligned and can they calculate into a score?	YES
Do the IDP KPIs align to the section 57 Managers	YES
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	YES
Were the indicators communicated to the public?	YES
Were the four quarter aligned reports submitted within stipulated time frames?	YES
* Section 26 of Municipal Systems Act 2000 T 2.5.1	
Does the budget align directly to the KPIs in the strategic plan?	YES

COMPONENT D: CORPORATE GOVERNANCE

Corporative governance is a link between all three spheres of government as enshrined in the constitution of the country. Inter-governmental relations are working relations between spheres of government for realization of a service delivery. In terms of the mandate of each sphere per the constitution, the expectation is that spheres of government complement each other. This is done for the purpose of best practice and service delivery.

Corporate Governance within Mandeni Municipality entails *Risk Management*, *Anti-Corruption and Fraud*, Internal Audit, Audit and Audit Performance Committee, Municipal Public Accounts Committee and Supply *Chain Management* which is unpacked below:

2.6. RISK MANAGEMENT

The Mandeni Local Municipality subscribes to the Public Sector Risk Management Framework as well as other international best practices (ISO 31000) to identify, analyze, treat, monitor, and communicate risks internally.

The provision of Section 62 (1) (c) (i) of the Municipal Finance Management Act (Act Number 56 of 2003) stipulates that the Accounting Officer of the Municipality is responsible for managing the financial administration of the municipality and must for this purpose take all responsible steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.

Risk Management unit facilitates the risk management processes, developing Strategic Risk Register, Operational Risk Registers, Fraud Risk Register, ICT Risk Register, and OHS Risk Register. These registers are monitored to ensure that all risks that could hamper service delivery are being prioritized.

The Municipality has in the current year of assessment a dedicated unit to co- ordinate the function of risk management under the Risk Management Unit. This unit has been ably guided by an independent risk chairperson, the Enterprise Risk Management Committee, the Audit and Performance Committee, the Accounting Officer and all senior management and management in the formulation of the risk registers. Furthermore, this unit has ensured that there has been quarterly sitting of the risk management committee and that risks are monitored and reported on a quarterly basis. Internal audit has also played a significant role in this area in ensuring that the municipality complies with the requirements of the Municipal Finance Management Act.

The Audit and Performance Committee has also been actively involved in the risk management processes. Hence, why the Risk Management Committee chairperson is required to submit a quarterly report to the Audit & Performance Committee.

The Risk Management Committee is chaired by the independent chairperson. The Risk Management Committee is governed by its Charter. This approach has proven to be successful, and in terms of good governance. This is what is required by the National Treasury Risk Management Framework. The Municipality ensured that there was a successful risk assessment process conducted during the commencement of the period and it should be noted that this process was attended by the KZN Provincial Treasury. During this process the strategic top 10 risks were identified, and the strategic risk register was developed. it incorporated all the risks that were identified and the mitigating action plans to be implemented by the management. During the risk assessments the other 3 risk registers were developed, which is the Operational Risk Register, Fraud Risk Register, OHS Risk Register and ICT Risk Register. This risk assessment also ensured focus was given to IDP priority areas and the National KPA's to ensure that risks are aligned to programs within the Municipality, Regionally, Provincially and Nationally.

During the 2024/2025 year of assessment, 2024, there were dedicated risk champions appointed per department. These Risk Champions are managers in their departments, and they assisted in enabling the risk management processes in their respective departments. They facilitated the quarterly risk reporting by the departments and played a huge role in monitoring risk by ensuring risk management is part of their monthly meeting agenda items.

STRATEGIC RISKS FOR 2024/2025 FINANCIAL YEAR

RISK NAME	ACTION PLAN
Inadequate maintenance of stormwater facilities	1. Roads and stormwater master plan - appointment of consultant to conduct assessments. Action owner: Manager Civil engineering Due date: 30/09/2024 2. Maintenance programme jetting of stormwater in different wards Action Owner: Director: Technical Due date quarterly 3. Upgrade of stormwater infrastructure in different wards Action Owner: Director: Technical Due date: 30/06/2025 4. Regravelling of rural roads in different wards Action Owner: Director: Technical Due date: 30/06/2025 5. Procurement of jetting machine Action Owner: Director: Technical Due date: 30/09/2024 6. Procurement of crane truck Action Owner: Director Technical Due date: 31/12/2024 7. Submit service provider performance assessmen to SCM. Action Owner: Director Technical services Due date: Quarterly
Unavailability of municipal cemeteries	1. Appointment of contractor for fencing of grave site in ward 4 Risk Owner: Municipal Manager Action Owner: Director technical services Due Date: 30/09/2024 2. Complete the fencing of grave site Risk Owner: Municipal Manager Action Owner: Director technical services Due Date: 31/03/2025 3. Complete the construction of grave site

	guard house Risk Owner: Municipal Manager Action Owner: Director technical services Due Date: 31/03/2025
Delays on the implementation of housing project.	1. Request for approval for funding and appointment of implementing agents from Dpt of Human Settlement Action owner: Director EDPHS Due date: 30/09/2024 2. Monthly Project Steering Committee meetings. Action owner: Director EDPHS Due date: quarterly 3. monitoring and assessing construction programs Action owner: Director EDPHS Due date: Quarterly
Inadequate roads infrastructure	1. Regravelling of rural roads in ward 1 to 18 Action owner: Manager Civil engeering Due date: 30/06/2024 2. Roads and stormwater master plan - appointment of consultant to conduct assessments. Action owner: Manager Civil engeering Due date: 30/09/2024 3. Consultant's Report on the stormwater assessment Action owner: Manager Civil engeering Due date: 31/03/2025 4.Upgrade of roads & stormwater infrastructure in different wards Action Owner: Director: Technical Due date: 30/06/2025 5. Pothole programme Action Owner: Manager Civil Due date: Quartely 6. Procurement of crane truck Action Owner: Director Technical Due date: 31/12/2024 7. Submit service provider performance assessment to SCM. Action Owner: Director Technical Services Due date: Quarterly

Inadequate realization of a completely-protected municipal environment.	1. Environmental Awareness program Action owner: Director EDPHS Due date: Bi-annually 2. Report to simunye environmental forum Action owner: Director EDPHS Due date: Quarterly 3. Clearing of illegal dumps/ Clean up campaigns Action owner: Director Community services Due date: Quarterly 4. To support recycling initiatives locally with recycling equipment, Risk Owner: Municipal Manager Action Owner: Director- Community Services Due Date:31/12/2024 5. Roll out the Integrated Waste Management Plan through the transfer of services Action Owner: Director CSPS Due date: 30/06/2025

2.7. ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI CORRUPTION STATEGY

The Municipality has taken an active role in dealing with fraud and anti-corruption. Firstly, the municipality through its council adopted the fraud prevention policy and strategy in June 2023 which was workshopped to Council during policy review session. The municipality has also ensured that in the current year (2024/2025) there is a dedicated budget set aside for fraud hotline, which is being initiated as a District.

The Municipality has taken an active role in dealing with fraud and anti-corruption. Firstly, the municipality through its council has adopted the fraud prevention policy and strategy in June 2023 which was workshopped to Council during policy review

session. The municipality has also ensured that in the current year (2024/2025) there is a dedicated budget set aside for fraud hotline, which is being initiated as a District wide initiative. Furthermore, an action plan is in progress to address all the challenges pertaining to fraud related issues.

All reported fraudulent cases are reported directly to the Office of the Municipal Manager. If the allegations have financial implications. The forensic investigation is conducted, and the case is reported to the disciplinary board for recommendations

2.8. INTERNAL AUDIT

In terms of Section 62 (c) of the Municipal Finance Management Act no 56 of 2003 (MFMA), the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—

(a) that the municipality has and maintains effective, efficient and transparent systems—

(i) of financial and risk management and internal control; and

(ii) of internal audit operating in accordance with any prescribed norms and standards;

Furthermore, Section 165 (1) of the MFMA, states that each municipality must have an internal audit unit. Section 165 (2) states that the internal audit unit of a municipality must—

(b) prepare a risk-based audit plan and an internal audit program for each

financial year;

(c) 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) Performance Management System

(iv) Accounting procedure and practice

(v) Risk and risk management

(vi) loss control; and

(vi) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and

(d) Perform such other duties as may be assigned to it by the Accounting Officer.

Regulation 14 (1) (a) of the Local Government: Municipal Planning & Performance Management Regulations of 2001, prescribe that a municipality must develop and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes.

The Municipality had, within its Organizational structure, a dedicated internal audit unit in the 2024/25 year of assessment. Furthermore, the municipality has an independent audit committee with four (4) members of sufficient skills and experience to ensure adequate oversight over internal audit as well as municipal activities.

The year 2024/2025 assessment was a successful year for the internal audit unit with the following key achievements being noted:

- The first year in which internal audit plan was completed without any delays
- The first audit of technical services and grant spending
- The acknowledgement by governance structures such as Treasury and CoGTA on the strength of the internal audit unit and the ability of the internal audit unit to perform majority of audits in house
- Successful workshopping and review of the Internal Audit Charter

an independent audit committee with four (4) members of sufficient skills and experience to ensure adequate oversight over internal audit as well as municipal activities.

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- The first year in which internal audit plan was completed without any delays
- The first audit of technical services and grant spend
- The acknowledgement by governance structures such as Treasury and CoGTA on the strength of the internal audit unit and the ability of the internal audit unit to perform majority of audits in house
- The successful workshopping and review of the Internal Audit Charter
- The undertaking of four quarterly PMS assessments
- The reduction on the use of consultants for specific internal audit projects
- The successful support of MPAC for Unauthorized, Irregular and Fruitless and Wasteful Expenditure

Furthermore, the internal audit unit had ensured that there was quarterly sitting of the audit committee as well as quarterly reports of the audit committee to council.

The internal audit unit also ensured that it complied with its statutory requirements of performing four quarterly audits as per the developed and

approved internal audit plan and then tabling each quarterly report with follow ups to audit committee for consideration.

The unit also successfully oversaw the development of the 2024/25 internal audit plan which was approved by the audit committee on the 28th of August 2024.

In regards to the 2024/25 scheduled audits the following key areas where reviewed and tabled to audit committee for consideration.

	FOCUS AREAS
	• Accuracy of billing and collections • Reconciliations (Revenue and debtors • Debt collection procedures • Debt policy and Indigent Policy • Test Debt collection system (Existence and Completeness) and alignment to SAGE • Collection trends per sector (Business, government and household) – Current year debt management issue has escalated and hence collection trends needs to be retested in detail • Recording of revenue

Supply Chain Management	• Turnaround time for completion of procurement process (Ordering; Receiving process, Invoicing and Reconciliation) • Planning (Procurement plan), Policy review and awareness • Contract and Project Management (Standard operating procedures, organogram and testing of high value and long-term contracts) • Performance assessment of service providers and contractors • Contract and Project Management (Completeness of Contract register and supporting documentation • Review of supplier database (capturing, editing and approval of suppliers), performance monitoring of suppliers • Review of supplier database (suppliers in service of the state, suppliers who are employees, blacklisted suppliers) • Creditor (including payments).	

	• Supplier return process and quality verification of goods and services received • Completeness of Supplier documents
Unauthorized, irregular, fruitless and wasteful expenditure	• Investigations of irregular expenditure resulting from approved deviations. • Investigations of unauthorized, irregular, fruitless an wasteful expenditure incurred.
Physical verification of employees against payroll reports	• Provincial Treasury Circular (PT/MF) 1 of 2017/2018
Asset Management	• Fleet Management – Policy and application • Test read/write access to the SAGE PASTEL system • Compliance with the fleet management policy and submission of exception reports relating to fuel, accidents and insurance)

	• Fixed Asset Register (Completeness) • Fixed Asset Register (Existence) • Impairment testing (sample basis) • Repairs and Maintenance (Capitalizations versus Expenditure) • Formation of asset disposal committee and effectiveness of this committee • Review the controls for impairment testing of moveable and immovable assets • Fixed Asset Register reconciliation • Additions and Disposals • Investment property (Completeness, Rights, Existence and Valuation

	• Under Construction WIP Assets – WIP valuation and transfers to Fixed Asset Register
ICT	• ICT Governance • DRP and BCP • ICT Security and awareness • ICT Assets • Assessment of the nature of the project management function (Outsourced EPCM vs In-house Project Management Personnel)
Performance	• Review the SDBIP, organizational scorecard, departmental scorecards, Section 57 Performance agreements to the Integrated Development Plan (IDP)

Management System (PMS)	for alignment • Presentation of SDBIP Consistency, Measurability, Relevance Reliability • Compliance with laws and regulations • Review of POE's against reported information on the SDBIP
Reviews of Annual Financial Statements	• 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 AFS, TB and GL • Follow-up on AG findings.

Reviews of Annual Performance Report	• Review the adequacy and effectiveness of controls around the performance information and the following areas will be included in the audit scope, but not restricted to the following: - Review credibility of POE files (Reliability of Performance Information); - Review the processes with which performance information is processed, collated, filed, analyzed and reported in line with the FMPPI; - • Follow-up on AG findings.

2.9. AUDIT AND PERFORMANCE AUDIT COMMITTEE

File Reference: Author : BM Mhlongo
Report Number: Designation : Chairperson of the Audit Committee

CONFIDENTIAL The Honourable Speaker
FOR CONSIDERATION MANDENI MUNICIPAL COUNCIL

SUBJECT: AUDIT AND PERFORMANCE AUDIT COMMITTEE REPORT FOR THE PERIOD ENDED 31 DECEMBER 2025

DATE: 15 JANUARY 2026

1. INTRODUCTION

The Audit and Performance Committee (Herein referred to as the "Audit Committee") is pleased to present its report covering the period from 1 July 2025 – 31 December 2025.

2. PURPOSE

2.1 This is a report to the Council which indicates the activities performed by the Audit Committee between 1 July 2025 – 31 December 2025.
2.2 The purpose of this report is for consideration by members of the Council.

3.LEGISLATIVE REQUIREMENTS

Section 166 of the Municipal Finance Management Act, Act 56 of 2003 obliges every Municipality to establish an independent Audit Committee,

which must advise the Municipal Council and the Management of the Municipality on matters relating to internal controls, internal audits, risk management, accounting policies, adequacy, reliability and accuracy of the financial

reporting information, performance management,

effective governance,
compliance with the MFMA.

the Annual Division of Revenue Act ('DoRA"), any other applicable legislation and any other issues referred to it by the Municipality.

Section 166 of the Municipal Finance Act No. 56 of 2003, as amended ("the MFMA"), read with circular 65 published by the National Treasury and regulation 14(2)(a) of the Municipal Planning and Performance Management Regulations of 2001 requires that the audit committee must report on its activities.

In carrying out our oversight responsibilities, the Audit Committee is guided by the formal terms of reference "The Audit Committee Charter". This Charter is reviewed annually and submitted to the Council for approval.

4.THE AUDIT COMMITTEE COMPOSITION AND ATTENDANCE

1.During the period under review, the Audit Committee consisted of four (4) members with diverse skills. The Audit Committee has to date met four (3) times (wherein two (2) were ordinary meetings and one (1) was a special meeting to deal with AFS for presentation to AG).
2.The table below sets forth the particulars of the members, dates of appointment and their attendance at the meetings of the committee:

	Meetings Attended	22/08/2025	27/08/2025*	29/11/25
Mr. B M Mhlongo (Chairperson)	3	✓▪	✓▪	✓▪
Ms. SB Dlungwane	3	✓▪	✓▪	✓▪
Ms. S Soji	3	✓▪	✓▪	✓▪
Mr. A Zungu	2	-	✓▪	✓▪

✓ = Present
- = Absent
* = Special Meeting

AUDIT COMMITTEE'S RESPONSIBILITY

The Audit Committee hereby reports that it has complied with its responsibilities arising from section 166 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) and regulation 14(2) (a) of the Municipal Planning and Performance Management Regulations of 2001.

Furthermore, the Audit Committee reports that it has operated in terms of the Audit Committee Charter read in conjunction with the Internal Audit Charter.

1.The Internal Audit Function

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

5.1.2.The operational activities of the Internal Audit Unit are regulated by Section 165 of the MFMA, circular 65 published by the National Treasury, the International Standards for the Professional Practices of Internal Auditors (ISPPIA) and the Internal Audit Charter.

5.1.3.The Chief Audit Executive reports administratively to the Municipal Manager and functionally to the Audit Committee to ensure the Internal Audit Function's independence.

5.1.4 The activities of the Internal Audit Unit are guided by the Annual Audit Coverage Plan which is approved by the Audit Committee at the end of the financial year preceding the year under review.
The Audit Committee monitors the progress of the implementation of the annual internal audit plan.

5.1.5 During the financial year 2024/25, the internal audit work was performed by the internal staff and the external staff sourced from the external service providers.

5.1.6 The Audit Committee approved the Internal Audit Plan for the 2024/25 financial period.
This plan was submitted to the Council and COGTA for noting.

5.1.7 The Audit Committee still to approve the Internal Audit Charter and review the Audit and Performance Audit Committee Charter which is currently being benchmarked with the iLembe District Municipalities' charter templates.

System of Internal Control

5.1.8The Audit Committee received assurance from the Internal Audit Function and the Risk Management Function based on their evaluation of the effectiveness of internal control systems.

5.1.9The Audit Committee monitored the progress achieved by the Management in implementing remedial actions to prevent the recurrence of findings identified by the Internal Audit and the Auditor General.
The audit committee acknowledges management's efforts to strengthen internal controls within the municipality.

51.10 Risk Management Committee did not present report for the first quarter since the RMC Chairperson and the Risk Officer resigned. The RMC was reported to have been in the employment of the Msunduzi Municipality.

5.1.11 Unauthorised Expenditure

a. The municipality incurred an unauthorized expenditure amounting to R16 816 493.00 during the 2024/2025 financial year this expenditure has been investigated by MPAC and they recommended to Council to approve and adopt the special adjustment budget to authorize unauthorized expenditure for 2024/2025 since MPAC found that:

- *there were no financial losses occurred in these transactions;*
- *the expenditure incurred did not occur due to the negligence but in good faith and*
- *as such no disciplinary action was required.*

b. For the period ending 30 September 2025, the Municipality has not incurred any.

unauthorised, irregular, fruitless and wasteful expenditure during the 1st quarter of 2025/ 26 financial year.

5.1.12 Fruitless and Wasteful Expenditure

The municipality incurred fruitless and wasteful expenditure amounting to R66.68 during 2024/2025 financial year which has been written off by Council.

Risk Management Function

5.2.1 Risk Management Human Resources

The Risk Management Unit had experienced a shortage of staff capacity since the resignation of the Risk & Compliance Officer in June 2025. The post was advertised immediately, and short listing was held on the 8th of July 2025; however, no suitable candidates were identified during the

shortlisting process. The post was then re-advertised, and the closing date was the 15th of August 2025.

The issue of staff capacity has since been addressed since the Risk and Compliance Officer post was filled on the 01st of December 2025

The Risk Management Implementation Plan for 2024/ 2025 financial year has been fully implemented and there are no activities that have been rolled over to 2025/ 2026 financial year.

5.2.2 Progress on Strategic Risk Implementation

Previously we presented strategic risks to the Council which we are continuing to monitor as the audit committee. The following is the status of the implementation of action plans linked to these strategic risks for 2024/2025.

Risk Type	Risk Action Plan Achievement Rate
Strategic Risk	86.30%
Operational Risk	86.00%
Fraud Risk	100%
ICT Risk	100%
OHS	100%

There was no report presented for the first quarter of 2025/2026 financial period due to the following:

a. Legal and Risk Management was not present due to medical leave.
b. the RMC Chairperson has since been appointed by Msunduzi Municipality as a municipal official, which disqualifies her from continuing as Chairperson. A request was made to allow her to complete her term, however, this request was declined.

5.2.3 Emerging Risks

High rate of crime and high rate of unemployment in the municipal area which requires interventions such as revival of the community safety forums; business compliance inspections and support to emerging young entrepreneurs.

5.3 Audit on Performance Information

5.3.1 The Audit Committee has noted the efforts of the Performance Management Unit

and the management in providing accurate performance information however there were findings raised by both the internal audit and the Auditor General on this area.

5.3.2 The draft annual report was submitted to the Internal Audit department for review and the audit report on the review of the draft annual report for 2024/2025 was presented to the Audit Committee for noting. The committee provided input into the final draft annual report for 2024/25 financial year.

5.4 **External Audit by Auditor-General**

5.1.1 The Management Report and the AGSA's Report for the 2024/25 financial year were presented to the Audit Committee on the 28th of November 2025 where all the findings raised by the AGSA were presented.

5.1.2 The municipality obtained an unqualified audit report, however with findings raised by the AGSA and the management has identified appropriate root causes to prevent these from being rereported in future by the auditor general.

5.1.3 The Audit Committee together with management committed to continuously monitor the identified action plans throughout the financial period 2025/26.

5.5 **Financial Management and Reporting**

5.1.1 The Audit Committee reviewed the adequacy and effectiveness of the Municipality's system of internal financial control and reporting through the reports provided by the Internal Audit Function.

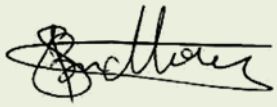
5.1.2 **Financial Health:** The Audit Committee received the section 52 (d) report of the municipality. As of 30 September 2025 (Q1), the Municipality reported a 96% collection rate related, and this was highly commended by APAC.

6. RECOMMENDATION

It is recommended that:

1. THAT, the report of the Audit Committee is noted by members of the Council.

Prepared by:



Mr BM Mhlongo
Chairperson
Mandeni Municipal Audit Committee
20 January 2026

COUNCIL

Author : Mr. S Shandu

Designation : Chairperson of MPAC

CONFIDENTIAL

FOR CONSIDERATION

The Honourable Speaker

MANDENI MUNICIPAL COUNCIL

SUBJECT: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE REPORT FOR THE PERIOD 01 JULY 2024 TO 30 JUNE 2025

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

DATE: 23 JULY 2025

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1. INTRODUCTION

1.1 The Municipal Public Accounts Committee **(Herein referred to as the "MPAC")** is pleased to present its Report to Council for the 01 July 2024 to 30 June 2025 for consideration.

2. LEGISLATIVE REQUIREMENTS

2.1 Vast powers have been conferred on council in terms of section 160(1)(a) of the Constitution, as follows: "A Municipal Council makes decisions concerning the exercise of all the powers and the performance of all the functions of the municipality;"

2.2 Oversight is a crucial role of council in monitoring and evaluating the actions of the executive and administration in the discharge of the vast powers they possess. It also includes avoidance of abuse of power and guarding against under performance.

2.3 It is also possible for council to delegate the oversight role or part thereof to committees of council. In terms of section 79A(1) of the Local Government: Municipal Structures Amendment Act 3 of 2021 (hereinafter referred to as “the Structures Act”), “a municipal council must establish a committee called the municipal public accounts committee”.

2.4 Council is required in terms of section 53(1) of the Local Government: Municipal Systems Act, 32 of 2000 (hereinafter referred to as “the Systems Act”), to define a specific role and area of responsibility for each political structure.

2.5 Furthermore, in terms of section 32(2) of the Local Government: Municipal Finance Management Act, 56 of 2003) (hereinafter referred to as “the MFMA”) and regulation 74 of the Municipal Budget and Reporting Regulations, a municipality must recover unauthorised, irregular or fruitless and wasteful expenditure unless the expenditure is, after investigation by council committee, certified by the council as irrecoverable and written off by the council.

2.6 MPAC activities should enhance increased council and public awareness of the financial and performance challenges of the City and its entities.

2.7 In terms of Municipal Budget Reporting Regulations (MBRR) 23(6)(b);

Council may authorise unauthorised expenditure in a special adjustment budget tabled in council when the mayor tables the annual report in terms of section 127(2) of the MFMA. This special adjustment budget "may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms

3. MPAC COMPOSITION AND ATTENDANCE

3.1 The MPAC consist of four (4) members who were appointed by Council. The MPAC has met three (3) times during 2024/2025 financial year and the table below sets forth the particulars of the members and their attendance at meetings held during the above-mentioned period:

Members	Meetings Attended	31-July-2024	19-Nov-2024	21-Feb-2025	20-MAY-2025
Cllr. S. Shandu (Chairperson)	1	✓	✓	✓	✓
Cllr. N. Mathunjwa	1	✓	✓	✓	✓
Cllr. D Mthembu	1	✓	✓	-	✓
Cllr. S Mathonsi	0	-	✓	✓	-

✓ = Present

- = Absent

4. MPAC RESPONSIBILITIES

4.1 Municipal Public Accounts Committee is a committee of council and therefore by a resolution in terms of section 79A of the Structures Act (as amended) determines its composition.

4.1.1 To ensure that municipal resources are used effectively and efficiently and report any deviations to Council;

4.1.2 To review Auditor-General reports together with comments from Management and Audit Committee thereon and to make recommendations to Council;

4.1.3 To review Internal Audit reports together with comments from Management and Audit Committee thereon and to make recommendations to Council;

5. DISCUSSIONS

CHAPTER 1

IRREGULAR EXPENDITURE INCURRED BY THE MUNICIPALITY BETWEEN 01 JULY 2024 TO 30 JUNE 2025

IRREGULAR EXPENDITURE INCURRED BETWEEN 01 JULY 2024 AND 30 JUNE 2025

1. Between 01 July 2024 and 30 June 2025, the municipality incurred irregular expenditure amounting to R7 741 682.53 which is made up as follows ***(Refer to the attached irregular expenditure register)***

No.	DESCRIPTION	AMOUNT
1	Opening Balance – Irregular expenditure identified by the	R4 202 207.02

	AG referred to the Disciplinary Board	
2	Irregular expenditure incurred in the current financial year coming from 2023/2024 Financial Year as identified by the AG **(Akha Holding)**	R1 089 475.53
3	Irregular expenditure incurred in the current financial year because of non-compliance with MFMA Circular No.131	R2 450 000.00
	TOTAL	**R7 741 682.53**

PART A – IRREGULAR EXPENDITURE IDENTIFIED BY AG DURING 2023/2024 FINANCIAL YEAR AND REFERRED TO DISCIPLINARY

BOARD

1.1 The Auditor-General identified the irregular expenditure amounting to R4 202 207.02 during the audit of 2023/2024 financial year and this irregular expenditure was referred to the Municipal Disciplinary Board for further investigation by Council on the 29th of May 2025.

1.2 The Chairperson of the Municipal Disciplinary Board presented the report of the Board during the virtual MPAC meeting which was held the 23rd of July 2025 and all the recommendations of the report were accepted. ***(Please refer to the detailed Report of the detailed Disciplinary Board as presented)***

1.3 The summary report of the disciplinary board is as follows:

NATURE OF IRREGULAR EXPENDITURE	AMOUNT	DETERMINATIONAL OF DISCIPLINARY BOARD
1. Non-Compliance with Section 12(3) of SCM Policy which prohibits the deliberate splitting of orders	R231 000.00	6.2. Upon scrutiny of Quotation No. 37/23/24 and Quotation No. 39/23/24, it is noted that although the listed materials share functional characteristics, they were procured in fulfilment of separate and distinct operational requirements. Accordingly, the rationale provided by the Manager: Supply Chain Management—that procurement decisions were informed by the Municipality's limited warehousing capacity—was found to be credible and contextually sound. This explanation is consistent with the operational constraints and logistical realities facing the electrical unit,

		and does not, on its own, constitute deliberate contravention of Regulation 12(3) of the Municipal Supply

		Chain Management Regulations (GN 868 GG 27636 of 30 May 2005). 6.3. The Disciplinary Board further notes with satisfaction that remedial measures have been initiated to address the underlying cause. Specifically, the Municipality has commenced the process of extending its existing Stores facility to enhance inventory capacity. This infrastructural intervention is anticipated to enable improved procurement planning, facilitate bulk purchasing, and mitigate the risk of fragmented transactions—thereby aligning future practices with section 112 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), which prescribes procurement systems that are efficient and cost-effective. 6.4. The Board formally accepts the explanation provided by the Manager: Supply Chain Management and hereby requests a written progress report on the implementation of the infrastructure expansion plan, including timeframes, budget allocation, and expected operational impact. Such reporting is essential to support ongoing oversight and validate that institutional vulnerabilities are being systematically addressed.
2. Awards made to persons whose tax matters were not in order.	R434 735.00	2.1 The statutory requirements outlined under Regulation 43(1), (2), and (4) of the Municipal SCM Regulations are unambiguous in their obligation that only bidders with compliant tax status, as confirmed by SARS through CSD,

		may be awarded municipal contracts. 1. The explanation offered by the SCM Unit—citing intermittent access issues with the CSD portal—is not accepted by the Disciplinary Board. The Board finds this justification insufficient given the serious governance implications, fiscal magnitude, and recurrence of such conduct, particularly when alternative verification measures (such as deferred award or physical confirmation via SARS correspondence) could have been pursued. 2.2 The Department must implement measures to prevent the repetition of this procedural breach. The following remedial recommendations are formally proposed for consideration by MPAC: i. Implement a documented SCM Compliance Checklist to be completed and archived for all quotations and bids. Any deviations must be justified in writing and retained for audit purposes. ii. Introduce a procedural directive that prohibits contract awards during periods of technical inaccessibility to the CSD portal. iii. In urgent procurement cases, allow conditional progression of procurement pending tax compliance verification, but prohibit order signature or payment authorisation until SARS confirmation is received.

		iv. Revise SCM protocols to mandate CSD checks at both bid evaluation and award stages, ensuring supplier status remains valid and compliant throughout. 2.3 The Board emphasises that non-compliance with tax verification protocols not only undermines procurement integrity but constitutes a breach of public finance legislation with implications for consequence management under the MFMA and associated regulations.
3. Non-compliance with the CIDB regulations.	R287,781.75	3.1 Based on the evidence reviewed and the absence of risk justification, capacity assurance, or regulatory disclosures, the Disciplinary Board finds that the Manager: SCM failed to satisfy the test of reasonableness as required under Regulation 25(7A) of the CIDB Regulations. 3.2 The SCM Department failed to apply and document a formal risk assessment prior to awarding a contract to a Grade 2 contractor, whose grading designation falls below the required threshold for the project scope. 3.3 There is no demonstrable evidence that the Bid Committees properly evaluated the contractor's technical expertise, prior experience, or ability to deliver a high-quality outcome in accordance with the project specifications. 3.4 The failure to notify the CIDB in terms of Regulation 21(3) constitutes a clear instance of non-compliance with the

		construction procurement regulatory framework. 3.5 Accordingly, the Disciplinary Board finds the conduct of the SCM Unit and User Department to be procedurally irregular and recommends that **consequence management be implemented**. The Accounting Officer must initiate a formal inquiry to determine individual accountability, as per **Regulation 5(1)** of the **Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings**, and take appropriate disciplinary action as mandated under **section 171(4)** of the **MFMA**.
4. Procurement processes not followed.	R2 852 515.28	The following action plans were put in place by management and the Disciplinary Board found these action plans to be acceptable and satisfactory: 1. Review SCM Policy to be aligned with SCM Regulations and remove paragraph 12(6) which covers non-applicable exemptions. 2. The revised SCM Policy will be tabled in the next EXCO and next Council meetings 3. Review SCM Policy to be aligned with SCM Regulations and remove the non-applicable exemptions. 4. Hire of transportation and Goods or services sourced from a manufacturer or manufacturing agency will be procured following section 36 of the Municipal SCM Regulations and the deviations will be reported to Council on a quarterly basis.

		As such the Disciplinary Board did not recommend any consequence management.
5.Incorrect allocation and calculation of preference points	R294 975.00	The Auditor-General's audit report for the 2023/2024 financial year did **not** record a formal finding against this procurement activity, and as such, no conclusive irregularity was flagged therein. The Disciplinary Board further reviewed action plans that were put in place by management and found these action plans to be acceptable and satisfactory. As such the Disciplinary Board did not recommend any consequence management
6.Non-compliant bidder awarded	R101 200.00	Based on the investigations conducted by the Board, it was found that - Incomplete documentation was submitted to the Auditor-General. - By the time the original documents were submitted to the Auditor-General, which included a certified copy of the most recent municipal account, full lease agreement and certificate from the landlord indicating that the levies are not in arrears, the auditors were no longer accepting the information however the information was

		available, and it was initially part of the submissions by the bidder. - Inconsistent implementation of SCM checklists to ensure completeness of documents for each bid contributed to this deficiency, however; management has ensured that there is a checklist for each bid awarded that is reviewed and signed off by the relevant managers.
Total	**R4 202 207.02**	

PART B – IRREGULAR EXPENDITURE IDENTIFIED BY AG DURING 2023/2024 FINANCIAL YEAR AND REFERRED TO DISCIPLINARY BOARD HOWEVER FURTHER PAYMENTS WERE MADE DURING 2024/2025 FINANCIAL YEAR

3.6 Further to the amount of R4 202 207.02 that was identified by the Auditor-General as irregular expenditure during the audit of 2023/2024 financial year, additional irregular expenditure amounting to R1 089 475.53 was paid during 2024/2025 financial period since it relates to projects that overlapped to the current financial year. ***This irregular expenditure register is broken down per below table***.

1.3 Beautification of Sundumbili Township Entrance in Ward 15 is part of the transactions that were referred to the Disciplinary Board for further investigation by MPAC.

SUPPLIER	DESCRIPTION	REASON FOR IRREGULAR	AMOUNT
AKHA HOLDINGS	Beautification of Sundumbili Township Entrance in Ward 15	Non-compliance with the CIDB regulations.	R1 089 475.53
TOTAL			**R1 089 475.5**

PART C – IRREGULAR EXPENDITURE IDENTIFIED DURING 2024/2025 FINANCIAL YEAR AS A RESULT OF NON-COMPLIANCE WITH MFMA CIRCULAR No.131

1.1 The municipality further incurred irregular expenditure amounting to R2 450 000 as a result of non-compliance with Circular No.131 of the MFMA was issued on the 31st of March 2025

1.2 The non-compliance is as a result of events that were supported by the municipality without following normal procurement processes as detailed in Circular No.131 of the MFMA.

1.3 This has resulted to the funds transferred by the municipality to the events organizers to be irregular expenditure.

It is recommended that-

a) The Municipal Public Accounts Committee resolved to recommend to Council to write-off irregular expenditure amounting to R2 450 000.00 because Circular No.131 of the MFMA was issued on the 31st of March 2025 and this expenditure was already incurred by then and that;

- *there were no financial losses occurred in these transactions;*
- *the expenditure incurred did not occur due to the negligence but in good faith and as such no disciplinary action is required;*

b) The Municipal Public Accounts Committee resolved to recommend to Council to write-off irregular expenditure amounting to R4 202 207.02 that was identified by the Auditor-General during 2023/2024 financial year audit since it has been investigated by the Disciplinary Board.

c) The Municipal Public Accounts Committee resolved to recommend to Council to write-off irregular expenditure amounting to R1 089 475.53 which is the payment made during 2024/2025 financial year to Akha Holding for the Beautification of Sundumbili Township Entrance in Ward 15 since it is part of the transactions that were investigated by the Disciplinary Board.

CHAPTER 2

UNAUTHORIZED EXPENDITURE INCURRED BY THE MUNICIPALITY BETWEEN 01 JULY 2024 AND 30 JUNE 2025

2.1 The municipality has incurred an unauthorized expenditure during amounting to R 3 432 876 during 2024/2025 financial year.

2.2 The contributing factor in the Unauthorised expenditure disclosed in the current financial year is due to the actual expenditure which exceeded the budget relating to System Development and Wet Fuel under Operational Costs:

DESCRIPTION	DETAILS	AMOUNT
System Development	the budget has been exceeded due to the implementation of projects that were not part of the initial scope for the financial year. These included the urgent requirement to install network infrastructure and all necessary IT services at the newly established Fire Station and Driving Licence Testing Centre (DLTC). The municipality had to prioritise these setups to ensure operational readiness and service delivery at the new facilities	R2 783 820.38
Fuel and oil	the level of demand for fuel has increased significantly due to the fact that there has been an increase in the municipal fleet, which has contributed to higher overall fuel consumption. This has resulted in the budget being exceeded under this item	R1 900 032.00
Bulk electricity	This is due to level of demand for electricity by Umngeni water. Based on their demand the municipality is unable to make an accurate budget estimation for this item.	R 649 767.00
TOTAL		**R5 333 619.38**

Operational costs	R 2,783,108
Bulk electricity	R649,768
Total unauthorized	**R 3,432.876**

Further to that it should be noted that there were saving in other Operational cost items as budgeted, which have resulted in net balance of R2.8 million of unauthorised expenditure.

It is recommended,

a) THAT, the Municipal Public Accounts Committee considers the unauthorised expenditure amounting to R 3 432 876 for 2024/25 financial year

b) THAT, the Municipal Public Accounts Committee recommends to Council, acting in terms of Section 23(6)(b) of the MBRR, to approves and adopt the special adjustment budget to authorise unauthorised expenditure for 2024/25 since MPAC found that:

- *there were no financial losses occurred in these transactions:*
- *the expenditure incurred did not occur due to the negligence but in good faith and as such no disciplinary action is required:*

CHAPTER 3

PRESENTATION OF PROCESS PLANS FOR PREPARATION OF ANNUAL FINANCIAL STATEMENTS (AFS) AND ANNUAL PERFORMANCE REPORT FOR 2024/25 AUDIT

3.1 Both the CFO and Manager PMS were invited to the MPAC meeting to provide progress on preparation of AFS and APR for 2024/2025 financial year and the following was noted by MPAC:

3.1.1 Prior to submission, both the AFS and APR will be audited by internal audit and audit committee in line with the requirements of section 165 and 166 of the MFMA respectively.

3.1.2 Management is currently busy with the preparation of both AFS and APR for 2024/2025 financial year.

3.1.3 AFS process plan and APR process plan, which is a tool which is used to monitor progress on preparation of both documents, have been developed and both tools are presented to Manco on a monthly basis.

3.1.4 Both AFS and APR process plans are detailed and indicated timeframes for all activities that must be completed, responsible officials and progress to date. ***(Please see attached both AFS & APR process plans)***

3.1.5 The draft AFS and APR will be submitted to internal audit and Performance and Audit Committee in August 2025 for their reviews. Both documents are due for submission to the Auditor-General by the 31st of August 2025 in line with section 126(1)(a) of the MFMA.

CHAPTER 4

PREPARATION FOR EXTERNAL AUDIT FOR 2024/25

4.1 The Auditor-General tabled the audit strategy for 2024/25 financial year to the management on the 22nd of May 2025 and all members of Manco were invited.

4.2 The Auditor-General will table the audit strategy for 2024/25 financial year to the Audit Committee on the 27th of August 2025 and for their input.

4.3 The audit timelines as per the audit strategy are indicated in the table below:

No.	Event	sponsibility	Planned date
1	*Receive financial statements, annual*	*MM/CFO*	*31 August 2025*

No.	Event	R sponsibility	Planned date
	performance report and other information to be included in annual report from auditee for audit		
2	*Acknowledgement of receipt of the AFS*	*SM*	*02 September 2025*
3	Send confirmation letters	*Audit team/CFO*	*30 September 2025*
4	Completion of execution	*Audit team*	*31 October 2025*
5	*Audit steering committee meeting to discuss draft management report*	*SM/M*	*14 November 2025*
6	*Receive final management comments approved by the Accounting Officer*	*MM/CFO*	*19 November 2025*
7	*Issue final management report and draft audit report*	*SM/M*	*25 November 2025*

No.	Event	R sponsibility	Planned date
8	Audit committee meeting to discuss final management report and audit report	SM/M	28 November 2025
9	Issue final audit report	SM/M	30 November 2025
10	Receive printer's proof of annual report from auditee for review	MM	05 February 2026
11	Sign off printer's proof of annual report	MM	31 March 2026

RECOMMENDATIONS

It is recommended –

THAT, Council considers and notes the report of the Municipal Public Accounts Committee together with its recommendations.

Prepared by:



MPAC CHAIRPERSON

2.11 SUPPLY CHAIN MANAGEMENT

OVERVIEW: SUPPLY CHAIN MANAGEMENT

Supply Chain Management operates within the parameters set down by the constitution and is supported by the different legislative mandates which are mainly the following:

- Municipal Finance Management Act 56 of 2003
- Broad Based Black Economic Empowerment Act 53 of 2003
- Preferential Procurement Policy Framework Act 5 of 2000
- Construction Industry Development Board Act 38 of 2000
- National Treasury Supply Chain Management Regulations
- National/Provincial Treasury SCM Practice Notes and Circulars
- Supply Chain Management Policy of Mandeni Municipality

Supply Chain Management Unit operates directly under the supervision of the Chief Financial Officer, Ms. N.Z. Guzana. Below is a tender register for the 2024/25 Financial Year.

MANDENI LOCAL MUNICIPALITY												
TENDER REGISTER 2024/2025												
30-Jun-25												
NO	**BID NO**	**TENDERS ADVERTISED AND PROJECT NAME**	**USER DEP.**	**CLOSING DATE**	**EXTENSTIONS**	**STATUS**	**AWARDED SUPPLIER**	**AWARD DATE**	**AMOUNT**	**DURATION**	**COMMENTS**	**LOC**
12	12/23/24	APPOINTMENT OF A MAXIMUM PANEL OF 8	TSID	23/02/2024			Neelan's Auto; Taurus Hydraulics; Nkosi	25-Jul-24	As per rates	3 years		

		SERVICE PROVIDERS FOR MECHANICAL, ELECTRICAL, REPAIRS AND MAINTENANCE OF MUNICIPAL PLANT, FLEET AND EQUIPMENT FOR A PERIOD OF THREE (3) YEARS AS AND WHEN REQUIRED BY MANDENI LOCAL MUNICIPALITY					Automotive; Power Spares Isithebe; Desrae Logistics; One Stop Motors; Dolphin Coast Towing; Samuel Automotive					
	214/23/24	ESTABLISHMENT OF PANEL OF A MAXIMUM THREE (3) OF SERVICE PROVIDERS TO ASSIST WITH SUPPLY, INSTALL, SERVICE AND	TSID	15/03/24		Awarded	Multiple Consultants	25-Jul-24	As per rates	3 years		

		REPAIR OF AIRCONDITIONERS FOR A PERIOD OF 3 YEARS AS AND WHEN REQUIRED BY MANDENI MUNICIPALITY										
	21/23/24	ESTABLISHMENT OF A PANEL OF CONTRACTORS TO IMPLEMENT CIVIL AND OTHER GENERAL BUILDING INFRASTRUCTURE PROJECTS WITHIN MANDENI LOCAL MUNICIPALITY FOR A PERIOD OF 3 YEARS AS AND WHEN REQUIRED	CS	2024/10/06		Awarded	Multiple Contractors as per CIDB Gradings	19-09-24	N/A	3 years		yes

	22/23/24	ESTABLISHMENT OF A PANEL FOR CONSULTANTS FOR ELECTRICAL PROJECTS FOR A PERIOD OF THREE (3) YEARS	TSID	14/08/2024		Awarded	Multiple Consultants		As per rates	3 years		
	24/23/24	REQUEST FOR ESTABLISHMENT OF PANEL OF SERVICE PROVIDERS FOR THE SOURCING SOCIAL AND ECONOMIC INFRASTRUCTURE INVESTMENT CAPITAL	TSID	2024/12/07		Awarded	MBD CONSULTING;MAX PROF;FUZE BUSINESS INITIATIVE;RSTE UTILITY SERVICES	10-Aug-24	TBD based on project values			

		PROPOSAL FOR A PERIOD OF 3 (THREE) YEARS										
	01/24/25	A MAXIMUM PANEL OF (5) SERVICE PROVIDERS TO ASSIST WITH ELECTRICAL REPAIRS ON BREAKDOWNS AND PLANNED OPERATIONS AND MAINTENANCE FOR A PERIOD OF 3 YEARS (AS AND WHEN REQUIRED) BY THE MANDENI MUNICIPALITY.	TSID	2024/02/09		Awarded	Ijubane Investments; Onombutho (Pty) Ltd; KB Level Construction; Worth Kings;	06-Jan-25	As per rates	3 years		No

	02/24/25	A MAXIMUM PANEL OF FIVE SERVICE PROVIDERS TO SUPPLY AND DELIVER SPORTING EQUIPMENT, KITS, TRACKSUITS AND OTHER SPORTING GEAR/ATTIRE AS AND WHEN REQUIRED FOR THE DURATION OF THREE YEARS	OMM	2024/06/09		Awarded	Fana Manufacturing; Unlimited ABC Trading; Kayosi Trading.	01-Oct-24	N/A	3 Years		No
	03/24/25	A MAXIMUM PANEL OF (3) SERVICE PROVIDERS TO BE APPOINTED TO RENDER VIP PROTECTION SERVICES AS AND WHEN	CS	20/09/2024		Awarded	EZAMALUNGA (PTY) LTD; PRO SECURE; THAKA SECURITY SOLUTION.	17-Dec-24	As per rates	3 Years		Yes/No

		REQUIRED TO THE MANDENI MUNICIPALITY FOR 36 MONTHS										
	04/24/25	APPOINTMENT OF SERVICE PROVIDER TO PROVIDE PAYROLL & HR SYSTEM FOR 3 YEARS	CS	20/09/2024		Awarded	AYANDAMBANGA COMMUNICATIONS; MALUTHULI CONSULTING; COURTESY GROUP	05-Feb-25	As per rates	3 Years		No
	05/24/25	A MAXIMUM PANEL OF 3 SERVICE PROVIDERS TO ASSIST WITH TRAFFIC SIGNALS SPARES AND REPAIRS ON EMERGENCY BREAKDOWNS FOR A PERIOD OF 3 YEARS (AS AND WHEN) REQUIRE	TSID	20/09/2024		awarded	ATC INDUSTRIES (PTY) LTD; WENZANI ELECTRICAL SERVICES; WORTHKINGS	09-Dec-24	As per rates		3 years	no

		D BY MANDENI MUNICIPALITY										
	06/24/25	AN APPOINTMENT OF A SERVICE PROVIDER TO SUPPLY, DELIVER, INSTALL AND COMMISSION HIGH MAST LIGHTS	TSID	16/10/2024		Awarded	NMR ELECTRICAL (PTY) LTD	17-12-24	R302 191.25	3 Years	Once off	No
	07/24/25	APPOINTMENT OF SERVICE PROVIDER TO SUPPLY, DELIVERY, AND INSTALLATION OF PREFABRICATED SECURITY GUARD HOUSES (ONCE-OFF)	CSPS	2024/09/10		Awarded	MALUTHULI CONSULTING	09-Dec-24	489 000.00	Once off		Yes
	08/24/25	PROVISION OF WASTE DISPOSAL FACILITY TO THE	CSPS	28/10/2024		Awarded	DOLPHIN COAST LANDFILL MANAGEMENT	12-Dec-24	As per rates	12-Dec-24		No

		MANDENI MUNICIPALITY FOR A PERIOD OF THREE YEARS										
	09/24/25	APPOINTMENT OF SERVICE PROVIDERS TO SUPPLY & DELIVER TWO-WAY RADIOS TO MANDENI MUNICIPALITY PUBLIC SAFETY	CSPS	2024/06/11		Awarded	Umnotho Wamalunqa Trading	09-Jun-25	649 000.00	Once off		No
	10/24/25	PANEL OF A MAXIMUM OF 03 SERVICE PROVIDERS FOR THE PROVISION OF INDIGENT AND PAUPER BURIALS WITHIN MANDENI MUNICIPALITY FOR A	CSPS	22/11/2024		Awarded	Amangema Services; Isulethu Funeral Services	06-Jan-25	As per rates	3 years		no

	11/24/25	APPOINTMENT OF A SUITABLY EXPERIENCED SERVICE PROVIDER TO SUPPLY, INSTALL, AND MAINTAIN A WIRELESS CCTV STREET SURVEILLANCE NETWORK FOR A PERIOD OF 3 YEARS	CSPS	29/05/2025		BAC						
2	12/24/25	APPOINTMENT OF SERVICE PROVIDERS TO SUPPLY, DELIVER, AND INSTALLATION OF THE SOLAR POWER SYSTEM AT THE MUNICIPAL DRIVING	TSID	16/08/2023	16/02/2024	Awarded	Ijubane Investments	23-Jun-25	219 650.00	1 month		No

		LICENCE TESTING CENTRE(DLTC)										
16	16/24/25	APPOINTMENT OF A SERVICE PROVIDER TO SUPPLY, DELIVER AND INSTALL PROTECTION SETTINGS FOR A 315kVA MINI SUBSTATION	TSID	14/01/2025		Awarded	R Busisiwe (Pty) Ltd	20-Feb-25	876 714.36	Once-off		yes
	17	17/24/25	SUPPLY AND DELIVERY OF TRAILER DRAWN CHERRY PICKER TO MANDENI MUNICIPALITY	TSID	28/02/2025		Cancelled					All bidders were non-responsive
18	18/24/25	ESTABLISHMENT OF PANEL OF MAXIMUM OF THREE (3) SERVICE PROVIDERS FOR THE SUPPLY, REPAIR	TSID	14/07/2025		Advert						

		AND DELIVER TYRES FOR LIGHT AND HEAVY DUTY VEHICLES FOR THREE (3) YEARS AS AND WHEN REQUIRED										
19	19/24/25	ESTABLISHMENT OF A PANEL OF A MAXIMUM OF FIVE (5) PROFESSIONAL SERVICE PROVIDERS TO PROVIDE INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (3) YEARS	OMM	16/04/2025		BAC						

20	20/24/25	PROVISION OF BULK PRINTING & MAILING OF MONTHLY CONSUMER STATEMENTS AND NOTICES OVER A PERIOD OF 3 YEARS	BTO	16/04/2025		BAC						
21	21/24/25	APPOINTMENT OF A SUITABLY EXPERIENCED PANEL OF MAXIMUM OF 5 SERVICE PROVIDERS TO SUPPLY AND DELIVER BUILDING MATERIAL	CSPS	16/04/2025		Awarded	"Basindawe Construction & Services;	21	21/24/25	APPOINTMENT OF A SUITABLY EXPERIENCED PANEL OF MAXIMUM OF 5 SERVICE PROVIDERS	CSPS	16/04/2025

		S FOR THE DISASTER MANAGEMENT RELIEF AID FOR A PERIOD OF 3 YEARS								TO SUPPLY AND DELIVER BUILDING MATERIALS FOR THE DISASTER MANAGEMENT RELIEF AID FOR A PERIOD OF 3 YEARS		
22	22/24/25	APPOINTMENT OF A PANEL OF LAND SURVEYORS, AND TOWN PLANNERS CONSULTANTS FOR A PERIOD OF 3 YEARS FOR MANDENI MUNICIPALITY	EDPHS	16/04/2025		Cancelled					To be re-advertised	
10	10/23/24	PROCUREMENT OF A FULLY QUALIFIED AND COMPETENT ELECTRICAL	TSID	19/01/2024		Cancelled						

		CONTRACTOR TO MAINTAIN AND HAND OVER 31 TRANSFORMERS WITHIN WARD 3										
11	11/23/24	SUPPLY AND DELIVERY OF MATERIALS AND EQUIPMENT FOR SMMEs WITHIN MANDENI MUNICIPALITY	EDPHS	13/02/2024		Awarded	Vukalusha Trading Enterprise	3-Apr-24	935,093.60	Once off		Yes
23	23/24/25	THE APPOINTMENT OF A SERVICE PROVIDER TO SUPPLY, INSTALL AND CONFIGURE 1 x AUTOMATIC NUMBER PLATE RECOGNITION SYSTEM	CSPS	2025/07/04		Awarded	Truvelo Africa	09-Jun-25	569 250.00	Once-off		No

		(ANPR), IN A MUNICIPAL VEHICLE										
24	24/24/25	MAIN OFFICE MASTER PLAN AND BUILDING OF THE NEW OFFICE BLOCK	TSID	2025/09/06		BEC						
25	25/24/25	SUPPLY AND DELIVERY OF OFFICE FURNITURE FOR MANDENI MUNICIPALITY	CS	16/05/2025		Cancelled						
26	26/24/25	AN APPOINTMENT OF SERVICE PROVIDER TO DEVIATE AN OVERHEAD MV LINE TO A 3-PHASE UNDERGROUND CABLE AND CONNECT TO MUNICIPAL MINISUBS	TSID	2025/09/07		Advert						

		TATION										
27	27/24/25	APPOINTMENT OF A MAXIMUM PANEL OF THREE (03) SERVICE PROVIDERS FOR THE SUPPLY AND DELIVER OF UNIFORMS FOR TRAFFIC OFFICERS, BYLAW ENFORCEMENT OFFICRS, FIRE-FIGHTERS AND DISASTER MANAGEMENT OFFICERS FOR 36 MONTHS	CSPS	18/07/2025		Advert						

PREPARED BY:

MANAGER SCM

2.12 WEBSITES

Section 75 of the Municipal Finance Management Act, 56 of 2003 requires the Accounting Officer of the municipality to place on the website the municipal documents referred to in Section 21 (a) of the MSA.

Information to be placed on the website	2024/25
1. 2024/25 Adjusted budget	Yes
2. 2024/25 Adjusted SDBIP	Yes
3. 2024/25 Mid-year and performance reports	Yes
4. 2024/25 MTREF budget	Yes
5. 2024/25 Final IDP	Yes
6. All budget related policies	Yes
7. 2024/25 Annual Report	Yes
8. 2024/25 Performance Agreements for Senior Managers as per section 57 (1) (b) of the MSA	Yes

2.13 BY-LAWS

Mandeni Municipality by-laws were adopted by the Council of Mandeni Municipality to regulate affairs and services within the municipality's jurisdiction.

The Animal Pound Bylaws, keeping animals' bylaws, Integrated Waste Management bylaws, Fire-prevention bylaws, financial bylaws, environmental bylaws, electricity supply bylaws, and public open spaces bylaws share the purpose of resolving conflicts and disagreements that protect the municipality from potential problems by clearly outlining rules around the authority levels, rights, and expectations in the Municipality's jurisdiction.

Public satisfaction on municipal services

Mandeni municipality has an office responsible for public complaints, which are to be attended to accordingly. The municipality also develops a suggestion box that permits community members to express their views regarding the services rendered by the municipality. This is imperative in measuring citizens' satisfaction with all services rendered by the municipality, such as roads, electricity, housing, waste removal, etc. The customer care office, which is part of the Office of the Municipal Manager, has an officer who deals with public satisfaction. This box helps the municipality understand better their public needs. These suggestions help overcome challenges in all Mandeni Municipality wards. It is also

essential that it promotes Batho Pele Principles by enhancing the quality and accessibility of municipal services by improving efficiency and accountability to put the community in all goods and services. Batho Pele's principles include consultations, dealing with complaints, and access.

Municipal Oversight Committees

All oversight committees play an imperative role in ensuring that the municipality implements all relevant legislation and compliance. For example, the Municipal Public Accounts Committee, section 129 of the MFMA, states that the council must table the consolidated and oversight report on the annual report for the 2024/25 financial year.

Section 79 of the Committee on Governance Oversight states that it shall consider and make recommendations to the council on the following matters: legislative role, participatory, and representatives.

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

SERVICE DELIVERY PERFORMANCE

(PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

During the 2024/25 financial year, Mandeni Municipality rendered infrastructural development projects. The municipality is discharged with a responsibility to provide basic services to the community within its jurisdiction amongst others are the provision of Low- Cost Houses, electrification, and roads in partnership with the Department of Human Settlements and Eskom.

The Mandeni Local Municipality has control over providing basic services relating to refuse collection and disposal, access roads and associated storm-water management and housing.

The iLembe District Municipality is the Water Services Authority and Provider for the Mandeni Municipal Area of Jurisdiction and therefore are in control of the water and sanitation services provision within Mandeni.

The Mandeni Local Municipality has a license to distribute electricity within the Mandini Suburb (ward 03) only and there are no backlogs or indigent households in this licensed area. The remaining areas within the municipality are supplied by Eskom who has the license to

distribute electricity in those areas. All the Municipal backlogs relating to basic electricity services are within Eskom's license area of jurisdiction. The Municipality is intervening in the electrification backlog eradication through the Integrated National Electrification Programme (INEP) grant under schedule 5B of the Division of Revenue Act (DoRA) managed by the Department of Energy (DoE).

3.1. WATER PROVISION

The Constitution of the Republic of South Africa, 1996 assigns the responsibility of ensuring access to water services to Local Government. Furthermore, the Water Services Act, 1997 entrusts the municipality with the provision of affordable, efficient on-going water services which is sustainable.

In terms of section 84 of the Local Government: Municipal Structures Act, 117 of 1998 the function of providing water and sanitation services within the Mandeni Local Municipality is a function given to the iLembe District municipality (IDM).

The Tugela River which is also the largest river in the KwaZulu-Natal Province and second largest river in South Africa traverses the Mandeni Local Municipality and terminates at Tugela Mouth still within the Mandeni Local Municipality Jurisdiction. This river catchment is the primary source of raw water for the area. The IDM extracts 40 million litres of water from the Tugela River daily for treatment and distribution to the local communities and businesses. The IDM has planned and is in the process of implementing major water schemes such as the Ndulinde and Macambini Water Schemes which will serve those communities with a reliable supply of water extracted from the Tugela River. These schemes once complete will ensure water security for the area into the future.

The IDM has further partnered with the Umgeni Water Board to plan and establish regional bulk water scheme known as the lower Tugela Bulk Water Supply Scheme (LTBWSS) which

will see the extraction of 110 million litres of water per day from the Tugela River to supply the southern parts of the Mandeni and the iLembe Region including parts of the eThekwini Municipality. Currently phase 1 of the LTBWSS is under construction for 55 million litres per day extraction, purification, and transportation.

3.2 WASTE WATER (SANITATION) PROVISION

The Constitution of the Republic of South Africa, 1996 assigns the responsibility of ensuring access to water services to Local Government. Furthermore, the Water Services Act, 1997 entrusts the municipality with the provision of affordable, efficient on-going water services which is sustainable.

In terms of section 84 of the Local Government: Municipal Structures Act, 117 of 1998 the function of providing water and sanitation services within the Mandeni Local Municipality is a function of the iLembe District municipality (IDM).

The IDM provides full water borne sanitation services to the urban areas and these are supported by the Sundumbili, Mandini and Tugela Waste water treatment plants.

All other rural areas are serviced by VIP toilets. Some isolated areas of settlement have

conservancy tanks or soak pits such as the Tugela Beach area.

The Municipality under the year in review ensured 3 Water and Sanitation Reports was submitted to the Infrastructure Development and Technical Services Committee meeting by collating information sourced from the district municipality (iLembe).

3.3 ELECTRICITY

The Mandeni Municipality has a very small license area for electricity distribution (Mandini Suburb in ward 3). The rest of the area is supplied by Eskom.

The municipality and Eskom are guided by the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006 in carrying out their function.

Under the year in review the Mandeni Municipality in respects to the provision of electricity managed to accomplish the following;

- On-going electricity repairs and maintenance are being carried out on municipal buildings and facilities.

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

The Bill of Rights in RSA Constitution, Chapter 2 Section 24 under environment states that everyone has the right to acquire the environment that is not harmful to the well-being of individuals. It is for that reason that the municipality ensures that waste collection for both public and business are collected timeously. Furthermore, the municipality ensures that grass-cutting in various wards are properly maintained about 7876521m² was performed and achieved in 2024/25 financial year . The municipality also successfully procured 30 skip bins, 110 wheelie bins in all wards (Ward 1 to 18) during 2024/25 financial year.

Also, the municipality is consistent in weekly waste collection in all 18 wards which achieved a total of 261 collections per annum in the 2024/25 FY.

3.4.1 CHALLENGES

The following are some of the challenges that the Municipality faces in terms of effective compliance with legislative prescripts regulating waste collection.

3.4.1.1. ILLEGAL DUMPING OF DOMESTIC, BUILDING RUBBLE AND GARDEN WASTE

The illegal dumping is still one of the challenges being experienced mainly due to the non-availability drop off facilities which makes it difficult to enforce by-laws.

Secondly, the lack of financial resources to procure vehicle and equipment to deal with illegal dumping is also a set-back in terms of the upkeep of the municipal areas.

3.4.1.2. POLLUTION OF NATURAL RESOURCES

Notwithstanding concerted effort to manage waste effectively, however, if the members of the community are not taking the responsibility water, soil, cur, etc. will continue to be polluted.

3.4.2. PROPOSED SOLUTIONS

The possible solutions to the abovementioned and other related challenges are dependent on lobbying and mobilizing resources from other organs of state as well as the private sector and non-government sector.

3.4.2.1. LAND ACQUISITION FOR DEVELOPMENT OF WASTE TRANSFER STATION AND/OR LANDFILL FACILITIES

The Municipality managed to identify land within the ILembe district for dumping waste. This landfill site assisted the Municipality hence the waste trucks dump more than once for all assigned days.

It also reduce fuel costs, unnecessary overtime that might occurred previously hence the waste station is close proximity, as well as the lifespan of the those waste trucks, unlike previously where a waste truck travelled 160 km to King Cetshwayo District to dispose waste. The availability of the waste station is significant hence improve the services delivery in terms of hygienic factors.

3.4.2.2. PROVISION OF FINANCIAL RESOURCES

It will be necessary that as the Municipality improves its debt collection, and/or identifying other funding sources, consideration be given to provide funding for procurement of vehicles plant and equipment to deal with illegally dumped waste.

3.4.2.3. REINFORCEMENT OF COMMUNITY EDUCATION AND AWARENESS CAMPAIGN

The Municipality under Community Services and Public Safety play a crucial role in ensuring, they performed both monthly environmental educational and monthly clean up campaigns. The Provincial Department of Economic Development Tourism and Environmental Affairs also assisted a great deal to educate and make community members aware of the negative effects of disposing waste illegally and irresponsibly.

As a result of lack of adequate resources to reinforce community education and awareness campaigns, the Department of Environmental Affairs will be approached to ascertain if such a Programme can be re-introduced in the same or similar form.

In the meantime, ward campaigns will be done continuously also as part of Back-to-Basic and ensure that the hygienic factors are taken into consideration.

WASTE KERB COLLECTION

The annual waste Collection target of 261 times in all wards (including residential and business premises) was achieved.

COMMERCIAL WASTE COLLECTION

Due to a large area of the municipality being rural and the fact that the Municipality is entrusted with ensuring that it promotes a healthy and safe environment for its community, it (municipality) reaches out to rural community by providing waste skips which are placed in strategic positions to ensure that each skip services as many as two hundred (200) households.

More skips were procured to reduce the distance travelled by individuals from their respective homes to a central skip and to reduce the number of households serviced by one skip.

3.5HOUSING

The municipality in partnership with the Department of Human Settlements has been continuously delivering low-cost houses through RDP Programme in both Urban and Rural areas of Mandeni.

HOUSING DEVELOPMENTS

- The municipality during the Financial Year under review had only 4 housing projects that were under construction funded by the Department of Human Settlements (DoHS) during the 2024/25 financial year being Inyoni Integrated Housing Project (Ward 3, 7, 10, 11, 12, 13, 14, 15,16, 17and 18), phase five of the Macambini Rural Housing Project (Ward 1, 2, 8 and 9) and phase three of the Isithebe Rural Housing Project (Ward 11, 12, 16, 17 and 18). Though some progress has been on the ground, the human settlements portfolio has been affected by budget constraints at the Department of Human Settlements which has result in progress moving at a rather slow rate. The progress registered during the financial year under the various housing projects which is outlined below:

- **Inyoni Housing Project:** In the 2024/2025 financial year construction of units under project construction phases 1, 2 and 3 was underway for approved beneficiaries. To date 1165 units. There are 350 units to be completed under phase 1, 2 and 3. The project has experienced implementation challenges. The implementing agent submitted a request to withdraw from the project. The Department is accordingly conducting close out process with the implementing agent. The close process will serve to scope works for a new implementing agent that will be appointed to complete the outstanding 350 units across phase 1,2 and 3. The installation of bulk and internal service infrastructure are currently underway in phase 4 of the project. Once progress on the ground reached 70% toward completion, processes to appoint a service provider to complete top structures in phase 4 will be initiated.

- **Isithebe Rural housing (11,12, 16, 17 and 18):**

  The Department of Human Settlement approved 300 units for Phase 3 of the project (300 out of 2000 units). The completion of project sub-phases 1 and 2 has yielded a total of 600 units that have been handed over to beneficiaries of the project. The 2024/2025 financial year was dedicated to completing phase 3 of the project, however this was negatively impacted by the aforementioned budget constraints which resulted in the implementing agent vacating the site at some point during the financial year thus the progress made is very limited. The agent has since returned to site and resumed construction activities To

The agent has since returned to site and resumed construction activities To date, under the current phase 185 houses have been completed, 14 units are at roof level, 34 units are at wall-plate level, 70 units are at foundation level.

Macambini Housing Project (Ward 1, 2, 8 and 9): This housing project has progressed significantly. During the 2024/2025 financial year all phases of the project came to completion.

Macambini Rectification Housing Project (wards 1, 2, 8 and 9): rural housing project comprising 465 sites is situated on land owned by the Ingonyama Trust Board, within the Macambini Tribal Authority and under the jurisdiction of the Mandeni Local municipality. The project was approved on 6 November 2000 by the MEC at the time as a "special project" amongst other projects. The units built were one rooms; these units have since dilapidated and cannot accommodate families in need of adequate housing. The Municipality, subsequently submitted a request to have the units upgraded into 40m² BNG units, funding was approved by the Department of Human Settlements. Construction has commenced on site. To date 41 platforms have been cut, 34 foundations have been built, and 19 wall plates have been built.

- Title Deeds Restoration Programme; Inyoni portion 1-4 and 5-11 erf 412 Isithebe Industrial Estate.
    - Inyoni is a catalyst integrated urban housing project within the Municipality ensuring provision of variety of housing typologies and socio-economic opportunities.
    - The project serves as strides to implement the live, work and play model of development through its composite of various opportunities within one area.

    - The various housing typologies and opportunities will produce 3020 units in total which consists of the following typologies:

- ✓ 2418 BNG low-cost housing units
- ✓ Financial Linked Individual Subsidy (FLISP)/ serviced sites- 355
- ✓ Rental Housing/Medium Density- Community Residential Units (CRU)- 165
- ✓ Mixed Use Home Commercial and Light Industry- 82

- Municipality seeks to implement the first ever rental housing component through the CRU program- funding for feasibility assessment has been secured from Department of Human Settlements.
- Furthermore, the project will serve as the first ever intervention of serviced sites that will empower the gap market within Mandeni to purchase serviced sites (355) and construct their own units after having obtained building approvals from the Municipality.

- The composite of non-residential land uses to be implemented in the project area can be summarized as follows:
  - ✓ Core Commercial sites- 2
  - ✓ Community Facilities- 19
  - ✓ Primary Schools- 4
  - ✓ Secondary Schools- 2

Active Spaces (playground/sport fields) – 15

PROGRESS ON THE INYONI INTEGRATED HUMAN SETTLEMENT PROJECT

Portion 1 of erf 412 of Isithebe Industrial Estate

- ❖ Township register was opened over portion 1 of erf 412.
- ❖ This portion consists of about 269 erven (sites), 145 units were registered, and 5 unit being prepared for lodgment at deeds office. There is a total of 135 outstanding units to be transferred.

Portion 2 of erf 412 of Isithebe Industrial Estate

- Township register was opened on the 09th of December 2022 over portion 2 of erf 412.
- Portion consists of about 368 erven.

Portion 3 of erf 412 of Isithebe Industrial Estate

- Township register was opened on the 09th of December 2022 over portion 3 of erf 412.
- This portion consists of about 197 erven.
- The total number of erven registered to beneficiaries is 43 units.

Portion 4 (portions 5-11) of erf 412 of Isithebe Industrial Estate

- Township register for this portion(s) has not been opened yet.
- Surveyor who worked on the project (John) confirmed that the layout plans for portion 4 were never registered with the Surveyor's office.
- The reason he advanced was that there were errors to be corrected in the initial layout, but for some reasons it was never lodged for registration.
- Municipality has engaged the Surveyor and we received the estimated costs of registering the plans with the Surveyor-General. We wait for further instructions from the municipality.
- 389 units have been registered to the names of beneficiaries and Title Deeds have been received by the Municipality.

9. Operation Sukuma Sakhe OSS.

- **Emergency Assistance (Disaster) Housing:** The Municipality continues to submit cases of households affected by natural disasters to the national Department of Human Settlements for assistance with emergency housing. The procedure for households to get assistance is by way for contacting the municipal disaster management unit that initiates process by conducting initial assessment and thereafter the need for emergency housing units is further assessed by the Department of Human Settlements and processed accordingly.
- **War room functionality:** War Room functionality is aided by two critical factors: 1. Committed War Room Champion / Ward Councilor and 2: Availability of a CDW as a resource personnel to support the war room technically and administratively.
- **Mandeni has 18 wards and therefore is expected to have 18 functional war rooms.** On average, all war rooms are functional in Mandeni except for ward 03 which is geographically challenged to sit its war room properly. Ward 17 has a challenge sitting regularly and provide evidence of such sittings.

  We have managed to induct almost all war rooms to ensure that they are capacitated on what is expected of them to do especially on cases of case referrals.

  The LTT and Local Aids Council (LAC) sits regularly with the LAC sitting quarterly as per the terms of reference framework derived from the mandate of the South African National Council on Aids (SANAC). Whilst the Local Tast Team sits monthly and reports to the DTT in accordance with the OSS Provincial Framework.

- **RECOMMENDATION:** We recommend the strengthening of the OSS and LAC Structure by appointing an official to attend to related cases on a continuous basis.

Currently, the incumbent is overstretched as he is appointed as the Special Programmes Officer, which deals with a vast of vulnerable groups already.
To improve the workings of the office, we need to manage cases through a file management system where a case is opened, investigated, intervention is made or recommended and a case is closed and reported. These processes require a dedicated official; well-resourced to deal with them.

This will expand the services to more needy beneficiaries especially in need of Home Affairs services and the Department of Human Settlement, which are in the main a majority on the list of OSS referrals.
We also recommend a set aside budget for food vouchers for temporary relief of hunger for families and children in distress, which will serve as a gap whilst the application to SASSA and DSD is still in the process.

3.6. FREE BASIC SERVICES AND INDIGENT SUPPORT

The Mandeni Local Municipality aids indigent households with regards to free basic services relating to refuse collection and disposal, electricity, and rates. Refuse collection and disposal are provided free of charge to rural households through communal bins (skips) strategically placed within walking distances. 50kwh of free electricity is supplied to qualifying households within the Eskom supply area through an agreement entered with Eskom whereby Eskom is reimbursed by the municipality.

The first R15 000 of the property value of all households is not rated and indigent households are exempt from rates and other charges. The iLembe District Municipality aids all households with access to 6000 litres of water per month free of charge. All VIP toilets are free of charge.

To qualify for the free basic electricity, indigent households are required to register for the service with Eskom and only approximately 50% of the potential indigent households registered for and received the free service allocation for the year. An average number of 1086 households received free basic electricity for the year. Qualifying households are encouraged to take up support by registering for it. Over 6000 households received free basic refuse services for the year.

COMPONENT B: ROAD TRANSPORT

The municipality prepared and adopted a Roads Master-plan for its area of jurisdiction. This exercise has established that the Municipality has approximately 700km of municipal access roads under its jurisdiction. Approximately 15% of these roads are urban paved roads whilst the remaining approximately 85% are rural unpaved roads requiring mechanical maintenance and repair work at high cost.

The municipality is well serviced by major roads within the area. The N2 freeway runs north – south in the municipality linking it to the major ports of Richards Bay and Durban. The R102 fulfils the similar function. Other main roads link these two major corridors to the hinterland to the west. The KZNDOT is currently upgrading the D883 that links the Mandeni Municipality to the Umlalazi Municipality through the Ndulinde area. They have further appointed a contractor for the upgrade of the P415 to Thukela Mouth Beach.

3.7 ROADS

Through the roads master-plan formulation the municipality has established a pavement management system to manage its existing roads infrastructure assets and a prioritization model for investment in new roads infrastructure. Rural roads require constant importing of gravel onto them, and gravel is a scarce commodity that needs to be transported long

distances at very high transport costs. The municipality has an in-house routine rural dirt/gravel road maintenance program using the municipal plant and equipment. The work under this program entails re-gravelling and blading.

Other routine maintenance programs relate to pot-hole repairs and drainage maintenance being done in-house. The municipality has two other programs that are capital in nature, i.e. Urban Roads Rehabilitation Program and Rural Roads Rehabilitation Program. The Urban Roads Rehabilitation Program addresses the ageing dilapidated infrastructure by renewing the assets. The Rural Roads Rehabilitation Program addresses the rural dirt roads by planning, designing, and constructing them properly complete with associated storm-water drainage. New roads are also being constructed in support of Human Settlements Projects.

ROADS AND STORMWATER

- 3834.47 m² potholes repaired in wards 2,3,4,7,10,12,13,14,15 on urban roads by 30 June 2025.
- 150m of guard rails were constructed in ward 14 and 18 by 30 June 2025.
- 25 Speed humps were constructed in wards 3,7,13, 14 and 15 by 30 June 2025.
- 333.2km of gravel roads were maintained in-house in various wards by 30 June 2025.
- 250 m of kerbs and concrete channel were constructed in wards 2,4 and 12 by 30 June 2025.
- 30 road signs were installed in ward 7, 10, 13, 14 and 15 by 30 June 2025.
- 15km of painting of road markings in ward 7, 14 & 15 by 30 June 2025.
- 16 headwalls constructed in ward 18 by 30 June 2025.

- 1.3km re-gravelling of D888 to kwamnguni store in ward 1.
- 1.5km re-gravelling of Tugela beach road in ward 2.
- 1km re-gravelling of carwash P415 to tunnel bridge in ward 3.
- 1.2km re-gravelling of Masinga gravel road in ward 4.
- 1.3km re-gravelling of Esamanqamu to Mgizimba road in ward 5.
- 1km re-gravelling of Evutha to Apostolic church road in ward 6.
- 0.4km re-gravelling of Hlanzeni and 0.4km of concrete pavement widening, phase 2 in ward 7
- 1km re-gravelling of Maqina road in ward 8.
- 1.3km re-gravelling of Esikhoveni to Nyathini in ward 9.
- 1.3km re-gravelling of Dabedabe road in ward 10.
- 1km re-gravelling of Kwangcobo to Kwamwandla in ward 11.
- 1.2km re-gravelling of machibini link road in ward 12.
- 1.3km re-gravelling of Road 6 in ward 13.
- 0.8km re-gravelling of Kwamjulelwa to Ezimpohlweni and 25m concrete pavement in ward 15
- 1.4km re-gravelling of kwamathonsi estobhini to kwamthembu estobhini in ward 16.
- 1.2km re-gravelling of Ezimangweni to Okhalweni in ward 17.
- 1.2km re-gravelling of Isithebe library to Othini area in ward 18.
- Stormwater modification in ward 13 and 14

- Stormwater modification in ward 3

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

- Mandeni Municipality approved authority to function as a Grade E Driving License Testing Centre (DLTC) that does not permit the testing of driving licenses and Licensing Bureau (MLB) status. The restriction caused by the fact that the Municipality still does not have a testing ground and enough space for Motor Licensing (MLB). Otherwise, it will be progressed as a Grade D DLTC with Motor Vehicle Licensing (MLB).

However, the DLTC is having some minor challenges where poor performance by Contractor was identified, such as meeting the deadlines, financial constrains as well as lack of human resources. However the transport and licensing section of the municipality, did indicate that the DLTC will at a final stage of completion hence the is a suggested date of opening in quarter 2 of 2025/26 financial year.

During the period under review, the CSPS its revenue collection generated cash revenue of R2 938 834.06 from all the transactions performed by the Centre. This will be more if the testing ground was fully functional this revenue would been doubled or tripled. Most importantly, both Provincial and National Departments of Transport have been giving the DLTC a clean audit from its date of operation in 2014 to date.

3.9 WASTE WATER (STORMWATER DRAINAGE)

The municipality managed to appoint service providers, who are responsible to compile a comprehensive storm-water masterplan for its area of jurisdiction, this is draft stage hence there are presenting to the relevant portfolio. The municipality carries out routine storm-water repairs and maintenance and upgrades and installs new storm-water systems during roads provisioning and human settlements projects. Stormwater drains unblocking is routinely being done in various wards.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING

The Mandeni municipality has made great strides in terms of the functioning of the town planning component of the municipality which is fully-fledged and functional.

STRATEGIC PLANNING

- **Preparation of the IDP**

  The planning unit is responsible for the preparation of the Municipal IDP and ensures the compliance with Chapter 5 of the MSA.

- **Public participation**

  The municipality in line with Section 16(1) (a)(i-iv) of the Municipal Systems Act which encourages the involvement and participation of communities and other stakeholders in the affairs of the municipality in particular IDP, PMS and Budget planning process engaged all communities across the municipality at Ward levels through a ward cluster approach and all other stakeholders to ascertain their needs and issues.

  Local Economic Development

- The planning unit is critical in the facilitation of local economic development through the identification of appropriate areas for business to operate. The Planning Unit continued to play an advisory role on Tourism related issues in line with the existing Local Area Plans for both Tugela Mouth and Dokodweni Areas. The town planning unit

continues to provide comments and inputs in the issuing of business licenses and permits.

LAND USE MANAGEMENT

- The Town Planning unit ensures compliance with the adopted Urban town planning scheme. The Town Planning unit also ensured the workshopping of the bylaw enforcement officers on such scheme and continues to work hand in hand with the colleagues to ensure efficient bylaw enforcement.
- The planning continued to ensure compliance to the Spatial Planning and Land Use Management Act through processing of Land Development Applications with legislated time frames.

SPATIAL PLANNING AND SPLUMA

- The Municipality in its implementation and compliance with Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) processes development applications through the District Joint Municipal Planning Tribunal (MMN JMPT) constituted by the three local Municipalities namely Mandeni, Maphumulo and Ndwedwe Municipality. During the year under review, a total of 9 planning applications were received by the Municipality for assessment. Four applications were tabled to the MMN JMPT for approval and 3 were approved with conditions and 1 application was referred to the applicant. The other five (5) applications are within the legislated timeframes and are being subjected to the legislated processes of SPLUMA.

- The Planning unit continues to receive applications pertaining to land requests for various uses ranging from the establishment of small businesses to the establishment of municipal office space by government departments and service delivery projects by the internal municipal departments. These applications and requests are channeled through the various council structures accordingly.

3.11. LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The municipality through Section 152 (1)(c) through several interventions programme has been striving to promote local economic development within its jurisdiction with focus on SMME Development and support; Agricultural; job creation (poverty alleviation) and Tourism economic sectors.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12. CEMETORIES AND CREMATORIUMS

- The municipality managed to appoint the services providers, to perform the EIA and geotechnical assessments, and found area to be suitable for this development. The next step was to establish the project, however the Community of that area, refused the project to starts. Then the project was cancelled by Municipality.
- The Municipality has commence to identify another suitable area for establishment of new cemetery.

COMPONENT E: ENVIRONMENTAL PROTECTION

3.13. POLLUTION CONTROL

The availability of the Municipal health services being the competence of district and metropolitan municipalities in terms of the National health Act, 61 of 2003 read with the Air Pollution Control Act 39 of 2004, and the fact that pollution control is one of the services of both the district municipality and the provincial government (in terms of control of hazardous substances), Mandeni Municipality relies on the Ilembe District Municipality as well as other private sector and/or non-governmental organisations, including National government in terms of controlling pollution of its natural resources.

COMPONENT F: HEALTH

Constitutionally and legally the health service is a functional area of concurrence of national and provincial legislative competency.

However, the Municipality in discharging its duties as an organ of the State and in compliance with Section 153 of the Constitution read with Section 23 of Municipal Systems Act had cooperated with and offered its assistance and support to the Department of Health in rendering the health services. This includes attending its official events / campaign and support the Department with requests such as making availability of community hall facilities or hire tents for them in area where it does not have community hall facilities to be used in community education and awareness campaigns.

The Municipality had also constituted a Health and Social Services Forum over and above the Operation Sukuma Sakhe structure with a view of providing an opportunity to health and social services stakeholders to engage, share experience and learn from one another in a bid to enhance the lives of the community of Mandeni.

3.14 CLINICS

The status of clinics are still seven clinics within Mandeni Municipality jurisdictional area with Sundumbili Community Health Centre coordinating the activities of other local clinics. Unfortunately, the Municipality still lacks a hospital, hence the residents of Mandeni are referred to Stanger Hospital in KwaDukuza for hospital services.

3.15 AMBULANCE SERVICES

The ambulance services are an exclusive competence of the provincial department of health.

3.16 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION;

With the advent of the National Health Act, 2003 (Act No.61 of 2003), the environmental health services became a competence of district and metropolitan municipalities. Hence, for health inspection the municipality relies on the district environmental health services.

COMPONENT G: SECURITY AND SAFETY

3.17 POLICE

Constitutionally and legally, police service is the concurrent competence of National and Provincial Governments. However, with the advent of the Civilian Secretariat for Police Service Act 2 of 2011, coupled with the National Safety Plan and the Community Safety Forum Policy, municipalities are responsible for community social crime. It must be mentioned that the municipality is in its infancy in terms of compliance with its mandate.

However, to promote and protect community safety, the Municipality has contracted an external service provider to manage animal pound services in line with Sections 76 and 78 of the Municipal Systems Act, Act 32 of 2000. These services are delivered in accordance with Section 3(2) of the KwaZulu-Natal Pound Act, Act 3 of 2016. The Provincial Social and Justice Cluster has highlighted that stray and trespassing animals pose a serious threat to public safety, both in terms of road safety and the potential spread of infectious diseases within communities. As a result, such animals must be impounded appropriately rather than being herded or left to wander freely.

3.18 FIRE

The Municipality recently performed the Fire Rescue Service internally, rendering service internally. The municipality has employed the Chief Fire Officer and the firefighters. Furthermore the municipality managed to perform about 19 fire awareness campaign throughout the 2024/25 financial year, as well as successfully conducted seasonal Firebreaks within the jurisdiction of Mandeni.

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

DISASTER MANAGEMENT

Since the Municipality Disaster Unit, in partnership with the iLembe District Municipality, conducted disaster risk education and awareness campaigns, community members have taken their health and safety seriously.

The Disaster Management Unit held four (4) Disaster Management Advisory Forum (DMAF) meetings and carried out nineteen (19) public awareness campaigns. Between 1 July 2024 and 30 June 2025, a total of two hundred and twenty-nine (229) disaster-related incidents were reported. These included twenty-eight (28) cases of heavy rainfall, thirty-eight (38) structural fires, one hundred and twenty-seven (127) incidents of strong winds, three (3) drownings, and thirteen (13) lightning strikes, with no structural collapses recorded.

ROAD TRAFFIC SAFETY AND LAW ENFORCEMENT

The Traffic Unit carried out twenty-nine (29) bi-monthly roadblocks to ensure that all vehicles were roadworthy and that commuter safety remained a top priority. In October 2024, the Unit hosted a Transport Month Awareness Campaign in partnership with SAPS and other security stakeholders, followed by a Festive Season Road Safety Awareness Campaign in December 2024, also in collaboration with SAPS and security partners. To address negative road safety trends, the Road Traffic Law Enforcement Unit, working alongside other state agencies, conducted thirty-one (31) joint operations, which included awareness activities during the October 2024 Transport Month and the December 2024 Festive Season campaigns to enhance police visibility on the roads.

ROAD TRAFFIC SAFETY AND LAW ENFORCEMENT

The traffic unit conducted thirty-six (26) bi-monthly roadblocks to ensure that motor vehicles were in good condition and that the commuters' safety was considered. The Unit also conducted a Road Safety Easter Festive Season April 2025 Awareness Campaign jointly with SAPS and Security Stakeholders and a December 2024 Road Safety Awareness Campaign with SAPS and Security Stakeholders. To reduce these negative statistics, the road traffic law enforcement Unit, working with other similar state agencies, staged thirty (36) joint operations aimed at police visibility.

COMPONENT H: SPORT AND RECREATION

3.20. SPORT AND RECREATION

- Sports and Recreation Programmes

- The Municipality successfully conducted the top achievers and sports awards by the 28th of March 2025.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.21 HUMAN RESOURCE SERVICES

- The Mandeni municipality continue with empowering their Councilors and employees through the, Municipal Finance Management Program (MFMP)- Employees and Councillors participated in this programme funded by the Local Government Sector Education and Training Authority (LGSETA) and acquired a vast knowledge in terms of Municipal Compliance and Operations. Hence, this project caters for all the activities of the municipality, eg. SCM, performance management system, project management, etc.
- Staff bursaries- Employees are given and empowered with the opportunity to acquire further skills and qualifications through staff bursaries.
- Staff development programmes- Training is provided to staff members across provinces which are provided by Salga, COGTA, provincial and national treasury.
- Workplace Skills Plan (WSP)- The total percentage of employees that were trained according to the WSP prescriptions acquired a scintillating performance of 128%.
- Employee Wellness Program- Staff members that experience any difficulties regarding work-related and personal stress are provided with help through this program which helps them cope better by being provided with a psychologist for counselling.
- Learnerships and Inservice training- Mandeni municipality allows individuals to apply for learnerships and in-service training to help them acquire skills and working experience.

3.22 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT ANNUAL REPORT FY 2024/25

1.1. The municipality took a strategic decision to insource the Fire and Emergency services; this prompted the IT unit to initiate network and systems deployment project to ensure service un-interruption. This project was a success given the nature of the service required, which requires 24/7 operational uptime.

1.2. It must be highlighted that IT resources need to be available since this satellite office is an emergency centric.

1.3. IT unit was also required to collaborate with Public Safety unit in preparation for operational of new DLTC center. This project necessitated complete network connectivity which included wi-fi access, printing services and telephone access. All ICT services have been implemented for the center to be fully integrated into the municipal network.

1.4. To assist with continued service delivery using municipality IT systems, IT unit assessed current server infrastructure, and an upgrade plan was established. This prompted the ICT unit to implement a comprehensive server upgrade plan, upgrading all operational servers including Dell EMC2 storage. This upgrade was a huge success with minimal downtime sustained. We also put a solid plan in place to prevent any possible data loss during the upgrade process.

1.5. In the spirit of safeguarding municipal data which has become extremely important, IT implementation of cyber security project was initiated. This project was also at the back of the internal audit report which recommended the establishment of Incident Response Plan among other things, to ensure that a comprehensive plan is in place in the event of cyber incidents.

1.6. In driving the digital inclusion of our citizens, the municipality is still part of a program conducted by SALGA called: SALGA Tech Games. The program which aims at drive appetite for coding and programing particularly to young people in and around Mandeni as well as other jurisdictions.

Website

In terms of section 75 of the Municipal Finance Management Act, 56 of 2003, requires the accounting officer of a municipality to place on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality:

Information to be placed on the website	2024/25
1. **Adjustment budget 2024/25**	Yes
2. **Mid-Year and Performance Report**	Yes
3. **MTREF Budget 2024/25**	Yes
4. **Final IDP 2024/25**	Yes
5. **All budget related policies 2024/25**	Yes
6. **Annual Report 2024/25**	Yes
7. **Oversight report for 2024/25**	Yes
8. **Performance Agreements as per s57 (1) (b) of MSA**	Yes
10. **All SCM contract above R30 000 per quarter**	Yes

CHAPTER 4

– ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

The Organizational development function falls under the Human Resource Section. Its main objectives are to manage organizational design and business modeling, co-ordinate culture and change management, administer job descriptions, job evaluation system management, and to develop and maintain an effective employee performance appraisal system towards process.

COMPONENT A: Introduction to the Municipal Workforce

Total employment to include staff turnover. Mandeni Municipality during the 2024/25 FY had a total of 322 employees. Employees that resigned in that financial year was a total of 06. At the end of the 2024/25 financial year had a total of 316 employees.

COMPONENT B: Managing the Municipal Workforce levels of reporting

Mandeni Municipality municipal workforce levels

- MM and Section 56 Top management- 6
- Middle Managers -20
- Superintendent -7
- Assistant Managers – 8
- Supervisors – 6
- Officers – 55

- Clerks – 14

This totals to 117

MANAGING THE MUNICIPAL WORKFORCE

This document, the Mandeni Municipality Employment Equity Plan (EEP) is prepared in conjunction with the requirements of the Employment Equity Act 55 of 1998' hereinafter referred to as the Act, the associated Regulations and Codes of Best Practice. The EEP addresses all aspects of Affirmative Action measures defined by the Act, to redress the disadvantages in employment experienced by designated groups to ensure their equitable representation in all the occupational levels in the workforce.

The purpose of the Act is to achieve in the workplace by:

(a) Promoting equal opportunity and fair treatment in employment through elimination of unfair practice.

(b) Implementing affirmative action measures to redress the disadvantages in employment by designated groups to ensure their equitable representation in all occupational levels and levels in the workplace.

COMPONENT C: Capacitating the municipal workforce

The Corporate Services department under Human Resource Management offered a variety of employees capacitating to promote competency.

- Staff bursaries- Employees are given the opportunity to acquire further skills and qualifications through staff bursaries.
- Staff development programmes- Training is provided to staff members across provinces which are provided by Salga, COGTA, provincial and national treasury.
- Workplace Skills Plan (WSP)- The total number of employees that were trained according to the WSP prescriptions were 165.
- Employee Wellness Program- Staff members that experience any difficulties regarding work-related and personal stress are provided with help through this program which helps them cope better by being provided with a psychologist for counselling.

- Learnerships and Inservice training- Mandeni municipality allows individuals to apply for learnerships and in-service training to help them acquire skills and working experience.

Skills Development

- The Municipality conducted the Skills 2024/25 auditing process.
- The workplace skills plan was developed and was adopted by the HRDC on the 12 April 2024.
- The workplace skills plan was submitted to LGSSETA on the 17April 2024.
- The total Number of employees that were trained according to the WSP prescriptions were 165. The actual target was 148. The target was achieved.
- The Actual amount spent on skills development in the 2024/25 financial year was R1 551 961.58. The targeted amount to be used was R1 211 811.08.
- For Effective implementation of recognized collective agreements, applicable legislation and policies, the Department conducted quarterly workshops on collective agreements and applicable legislation and policies.

Workforce capacity development

The municipal remains committed to the development of internal and external capacity by providing the various skills development intervention and at improving the performance of individual employees, councillors and providing skills to unemployed youth within Mandeni jurisdiction.

The human resource development ensures that workplace skills plans (WSP) which is aligned to the municipal strategic objectives is developed annually in line with Skills Development Act and local government sector and training authority (LGSETA) guidelines. Funding to implement learning programs has been provided by the municipality or sourced from LGSETA.

The workplace skills plan focuses on the following:

Training programme.	Number of beneficiaries
. Municipal officials training	165
. Councilor's development	32
. Staff bursaries	27

COMPONENT D: Managing the Municipal Workforce expenditure

During the 2024/25 FY, Mandeni Municipality had a total expenditure of R 156 631, 071 for the municipal workforce. This is reflected in Note 29 of the AFS.

INTRODUCTION TO THE MUNICIPAL PERSONELLE

SKILLS LEVEL	MANDENI

Senior officials	2.5
Professionals	2.3
Tech/Assoc Prof	7.8
Clerks	7.3
Service workers	4.9
Skilled agric workers	2.9
Plant operators	22.1
Craft and trade	20.3

4.1. LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows:

1) A municipality must prepare for each financial year a performance report reflecting—

(a) The performance of the Municipality and each external service provider during that financial year;

(b) A comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and

(c) Measures taken to improve performance.

(2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players." Performance management is not only relevant to the organization as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

LEGISLATIVE PERFORMANCE REPORTING FRAMEWORK

FREQUENCY AND NATURE OF REPORT	MANDATE	RECIPIENTS
Monthly reporting on actual revenue targets and spending against budget no later than 10 working days after the end of each month	Section 71 of the MFMA	National Treasury
Quarterly progress report	Section 41 (1) (e) of the Systems Act, Section 166 (2) (a) (v) and (vii) of the Municipal Management Finance Act (MFMA) and Regulation 7 of Municipal Planning and Performance Management Regulations.	1. Municipal Manager 2. Mayor 3. EXCO 4. Audit Committee 5. National Treasury
Mid-year performance assessment	Section 72 of the MFMA. Section 13 (2) (a) of Municipal Planning and Performance Management Regulations 2001.	1. Municipal Manager 2. Mayor 3. EXCO 4. Council 5. Audit Committee 6. National Treasury 7. Provincial Government
Annual report (to be tabled before Council by 31 January (draft and approved / published by 31 March each year)	Sections 121 and 127 of the MFMA, as read with Section 46 of the Systems Act and Section 6 of the Systems Amendment Act.	1. Mayor 2. EXCO 3. MPAC 4. Council 5. Audit Committee 6. Auditor-General 7. National Treasury 8. Provincial Government 9. Local Community

MUNICIPAL POWERS AND FUNCTIONS

The powers and function of Mandeni Municipality are as per Schedule 4 Part B and Schedule 5 Part B 9f the Municipal Demarcation Board.

Building Regulations	Facilities for the accommodation, care and burial of animals
Child Care Facilities	Fencing and fences
Electricity Reticulation	Licensing of dogs
Fire Fighting	Licensing and control of undertakings that sell food to the public
Local Tourism	Local amenities
Municipal Planning	Local sports facilities
Storm water	Markets
Trading Regulations	Municipal abattoirs
Billboards and the Display of Advertisements in Public Places	Municipal parks and recreation
Cemeteries, Funeral Parlours and Crematoria	Municipal roads
Cleansing	Noise pollution
Control of Public Nuisance	Pounds
Control of Undertakings that sell liquor to the public	Public Places

OPERATING PROCEDURES AND OVERVIEW

The 2024/25 Financial year, the municipality did a significant effort to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is corresponding to the institutional service delivery objectives captured in the IDP. The municipality has continued to maintain the effective operation of the following mechanisms:

- The 2024/25 IDP included strategic objectives, strategies and key performance indicators (KPIs) as required by the Municipal Systems Act, 32 of 2000.
- The budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003.
- After approval of the budget, the 2024/25 SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the organizational strategies.
- Performance agreements with performance plans were developed, signed, and approved by the Honorable and the Accounting Officer as required by the Municipal Performance Regulations, 2006.
- Quarterly performance reports with supporting Portfolio of Evidence Files were prepared by managers directly reporting to the Municipal Manager. These reports were used in the quarterly performance assessments.
- Quarterly performance reports were verified by the OPMSMER Unit and audited by the Internal Audit unit to test the credibility and reliability.
- The performance assessments for 2024/25 Annual and mid-term for 2025/26 is in progress hence the Auditor General (AG) was on site. Planning will ensue once AG has concluded work on site.

PERFORMANCE /AUDIT COMMITTEE

The Performance Audit Committee for the 2024/25 financial year was re-affirmed in terms of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 members are as follow:

- During the year under review, the Performance and Audit Committee met quarterly to consider the performance reports. The deliberations and resolutions taken by the PAC are encapsulated in the minutes of the committee.

PERFORMANCE EVALUATION PANEL

The effective Performance Evaluation Panels have also been established Municipal Performance Regulations Section 27 (4) (d), for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager.

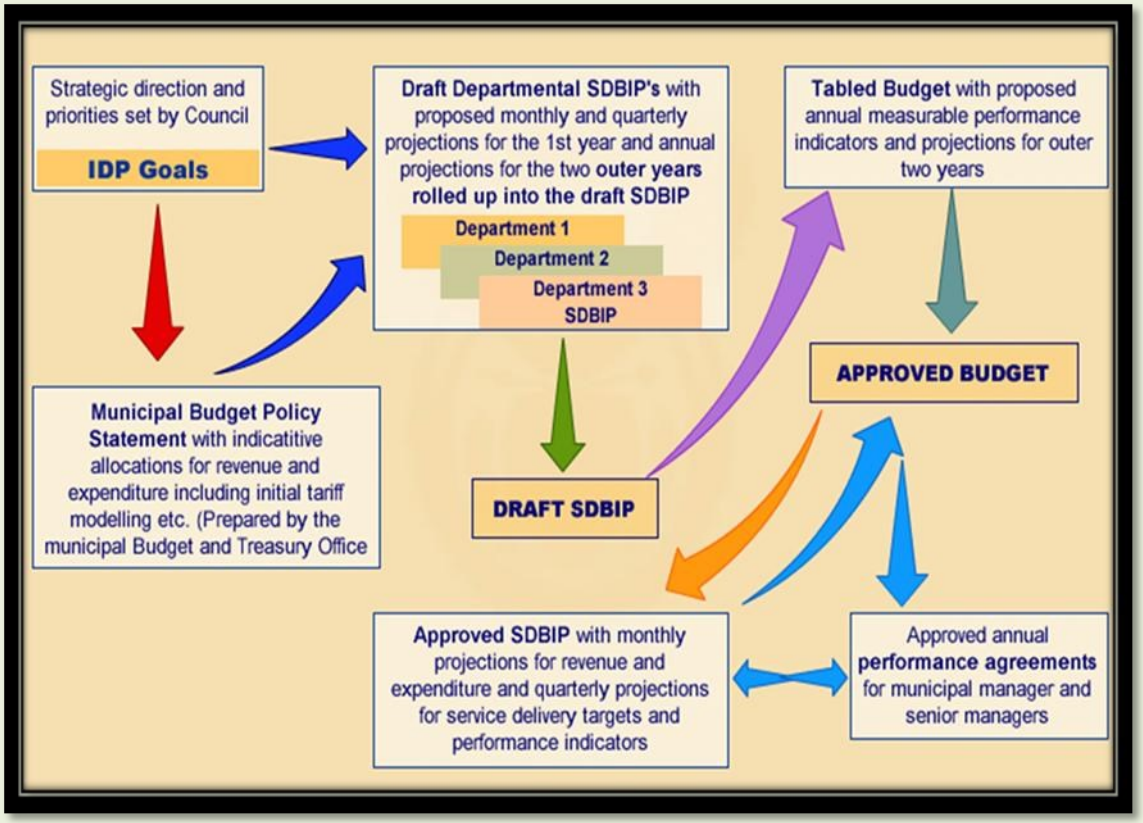
4.2. ORGANISATIONAL SCORECARD/TOP LAYER SDBIP

The municipal scorecard (Top Layer SDBIP) consolidates service delivery targets set by Council and Senior Management and provide an overall picture of performance for the municipality, reflecting performance on its strategic priorities. This is a **one-year** detailed plan but includes a **three-year capital plan.**

The necessary components include:

- Monthly projections of revenue to be collected for each source.
- Expected revenue to be collected NOT billed.
- Monthly projections of expenditure (operating and capital) and revenue for each vote.
- Quarterly projections of service delivery targets and performance indicators for each vote
- Non-financial measurable performance objectives in the form of targets and indicators, and
- Detailed capital project plan broken down by ward over three years.

The process for preparing and approving the SDBIP, as depicted in the MFMA Circular No.13, is diagrammatically summarized as follows:



It should be noted that, for the quarter three and quarter four performance reporting the 2024/25 Top Layer SDBIP was amended on the 28 February 2025 as per adjusted budget adopted by Council.

The Mandeni 2024/25 SDBIP was revised based on the following recommendations:

1. SMART principle, in some instances, indicators and targets were re-defined due to existing targets being not measurable, achievable, and lacking alignment to the IDP.
2. Mid-year performance results were exploited to make Q3 and Q4 adjustments, especially areas of immense over and under performance.
3. The synergy in alignment between the approved 2024/25 Top Layer SDBIP and IDP Review 2024/25 was considered, more amendments were emanated from the AG previous inputs during the AG audit process.

PROCESSES IN AMENDING 2024/25 TOP LAYER SDBIP

The process was consultative and included the following key milestones:

The item was prepared that contained all amended KPI's and all affected KPI;s reasons were stated accordingly.

a) Amending the SDBIP to the strategic framework in the IDP to achieve alignment.

b) Meeting with the Head of Departments (HOD).

c) Submitted proposed amendments to the Audit Committee.

d) Submitted proposed amendments to council for adoption.

e) Submitted the Revised SDBIP 2024/25 to be signed by the mayor and tabled to council for the acquiring of council resolution.

f) Public advert was posted on the Amended SDBIP 2024/25 and on the on the website and advertised in the Local Newspapers.

MUNICIPAL ASSESSMENT TOOL/C88 REPORT

The main objective of a municipal assessment tool is generally to evaluate how well a municipality is performing in key areas so that leaders can make informed decisions and improve service delivery for residents. The COGTA developed these assessment tools, to ensure that all assign Key performance indicators are properly executed.

Objectives of a Municipal Assessment Tool.

1. Measure municipal performance
    - Assess the quality, efficiency, and effectiveness of municipal services (e.g., waste management, roads, public safety).
2. Identify strengths and weaknesses
    - Highlight areas that are functioning well and those that require improvement.
3. Promote accountability and transparency
    - Provide clear, data-based evidence of how municipal resources are used.
4. Support planning and budgeting
    - Help municipalities prioritize investments and allocate funds based on actual needs.
5. Improve service delivery
    - Ultimately enhance the well-being of residents through better municipal management and infrastructure.
6. Benchmark performance
    - Compare performance across municipalities or against national standards.
7. Compliance with legislation.

    - It ensure that all Municipalities are properly execute the relevant legislation's. (e.g, MFMA Budget approval, IDP, SDBIP MSA for APR submission to AG)

KEY AREAS OF BACK-TO- BASIC ARE THE FOLLOWING:

- Basic Services: Creating decent living conditions.

- Good Governance
- Public Participation: Putting People First
- Sound Financial Management
- Building Capable Institutions and Administrations

During the process of adjusting the budget, the municipality has also amended its SDBIP to align to the municipal assessment tool.

Mandeni Municipality has maintained a status of consistency in terms of functionality in the Municipal assessment tool Programme, hence submission occurred in quarterly basis.

4.3. DEPARTMENTAL SCORECARD/LOWER LAYER SDBIP

The Departmental Scorecards (detail Top Layer SDBIP) capture the performance of each Department. Unlike the Organizational Scorecard, which reflects on the strategic performance of the municipality, the Departmental SDBIP provides a comprehensive picture of the performance of that Department/sub-department/branch. It was compiled by **Senior Managers** for their **Departments** and

consists of objectives, indicators and targets derived from the approved Top Layer SDBIP, the approved budget and measurable service delivery indicators related to each functional area.

This non-financial third quarter performance report contains information about:

- Quarterly performance against quarterly and annual targets as per the SDBIP is reported on. The SDBIP contains the objectives and indicators as per the Municipal IDP as well as National indicators. The SDBIP for 2024/25 was developed to reflect cumulative performance, therefore the status of indicators reflects the overall performance level achieved in the 2024/25 Financial Year.
- Measures taken to improve performance; Corrective action is included for each KPI.
- Comparison of performance against set targets.
- Calculations to calculate the variance between actual quarterly performances are included for each KPI; Calculations to calculate the variance between actual quarterly performances are included for each KPI; Comparisons of performance against quarterly targets are highlighted in the form of colors based on scores which were calculated manually by the OPMSMER Unit.
- The scoring method utilized is in line with the assessment rating calculator prescribed by the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Regulation 805 of 2006.
- The purpose of including these ratings and color coding is to serve as early warning indicators so that Council can easily distinguish under performance, achievements and an explanation is as per the table under 4.

4.4. ORGANISATIONAL PERFORMANCE HIGHLIGHTS AGAINST PREDERTEMINED OBJECTIVES (KPI)

The organizational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organizational level and through the Service Delivery Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned.
- The budget must address the strategic priorities.
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The municipality in formulating and reviewing its Integrated Development Plan (IDP) developed and adopted Strategic Goals, Strategic Objectives and Strategies which are key instruments to drive or facilitate implementation of both, the IDP and Budget in service delivery.

These Key instruments are considered as enablers to justify an organization's activities and existence, define performance standards as well as the specific tasks that must be accomplished for the municipal goals to be met. Below is the table that illustrates Strategic Goals, Objectives and Strategies as adopted by Council for implementation of IDP, Budget and operational plan (Service Delivery and Budget Implementation Plan).

2024/25 TOP LAYER SDBIP

IDP REF	STRATEGIC GOAL	STRATEGIC OBJECTIVE	STRATEGIES 2024/25
BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT			
BSD 01	Universal access to basic services and infrastructure development by 2030	Improve access to all infrastructure and services	Facilitate access to electricity for all targeted households
BSD 02			Reduce the road infrastructure backlog and maintain the existing infrastructure
BSD 03			Facilitate the reduction of the housing backlog
BSD 04			Provide efficient waste collection and management service to all targeted household
BSD 05	Universal access to basic service delivery and infrastructure development by 2030	Improve access to all infrastructure and services	Facilitate the provision of new community facilities

BSD 06	Providing and facilitating access to social services and facilities	Improve access to all infrastructure and services	Facilitate the provision of new community facilities

GOOD GOVERNMENT AND PUBLIC PARTICIPATION			
GGPP01	To foster a culture of community involvement and good governance in the affairs of the municipality	Ensure participative, transparent and accountable Governance	Improve the public participation processes
GGPP 02			
GGPP 03		Aspire to a healthy, safe and crime-free area	Ensure the municipal contribution to community safety
GGPP 04			Design and implement sports, arts and heritage celebration programmes
GGPP 05		Ensure that all legislated Council structures meetings seat.	Improve the public participation processes
GGPP 06		Implementation of risk mitigation strategies specific	Improve the audit opinion

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT			
MFVM 01	To develop a sustainable and efficient municipality based on sound financial management	Ensure a financially viable municipality	Ensure a constant and accurate financial reporting
MFVM 04			Ensure a constant and accurate financial reporting
MFVM 05			Manage and increase the municipal revenue base.
MFVM 06			Ensure that the municipality acquires goods and services in terms of supply chain regulations

LOCAL ECONOMIC DEVELOPMENT			
LED 02	Facilitate the creation of job opportunities	Achieve a holistic human development and capacitation for the realisation of skilled and employable workforce.	Improve the community skills base
LED 03			Ensure the empowerment of youth, women and people living with disabilities.
LED 04			Facilitate the implementation of the EPWP
LED 05			
LED 06			
LED 07			Strategic planning for Local Economic Development

MUNICIPAL INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION			
MTID 01	Provision of effective, efficient, transparent and accountable leadership	Creating a conducive working environment	Maintain and improve the municipal policies
MTID 02			Ensure effective and efficient human resource management
MTID 03			Ensure effective and efficient human resource development
MTID 04			Improve performance
MTID 05			Improve information technology and document management systems
MTID 06			Improve municipal services and Infrastructure

SPATIAL RATIONAL ENVIRONMENTAL MANAGEMENT/ CROSS-CUTTING MEASURES			
SREM 01	Promoting and facilitating environmental protection and sustainable spatial planning	CBD Regenaration	Creating government precinct with efficient space for public facilities and services
SREM 02		Ensure an integrated and alligned development planning	Ensure proper development
SREM 03		Facilitate a creation of a disaster-ready community	Provide a framework for the spatial vision and form of Municipality

The SDBIP were prepared as described in the paragraphs below and approved by the mayor.

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

COLOUR	CATEGORY
	TOTAL NUMBER OF KPI's
	KPI's NOT ACHIEVED
	KPI's ACHIEVED

The Service Delivery Performance Report is divided according to the National Key Performance Areas (KPA) of Local Government namely:

NO	NATIONAL KEY PERFORMANCE AREA	ACRONYM
1	Basic service delivery	BSD
2	Good governance and public participation	GGPP
3	Municipal financial viability and management	MFVM

4	Local economic development	LED
5	Municipal Transformation and Institutional Development	MTID
6	Spatial Rational and Environmental Management	SREM

INTRODUCTION TO MUNICIPAL PERFORMANCE PREDETERMINED OBJECTIVES DEPARTMENTAL SDBIP

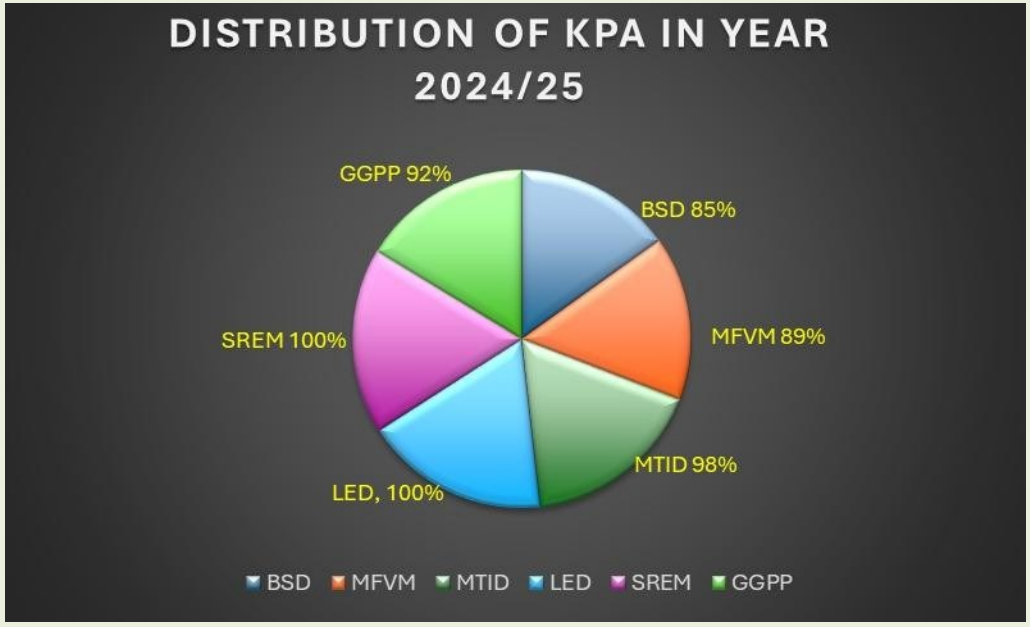
The SDBIP serves to focus both the administration and Council on outputs by providing clarity of service delivery expectations, expenditure and revenue requirements, service delivery targets and performance indicators.

SDBIP should therefore determine (and be consistent with) the performance agreements between the Mayor and the Municipal Manager and the Municipal Manager and Senior Managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as Municipal Entities, Public-Private Partnerships, and service contracts. The SDBIP Template is therefore included in the report for each department as follows:

- Department: Office of the Municipal Manager
- Department: Budget and Treasury Office
- Department: Corporate Services
- Department: Economic Development Planning and Human Settlements

- Department: Technical Services and Infrastructure Development
- Department: Community Services and Public Safety

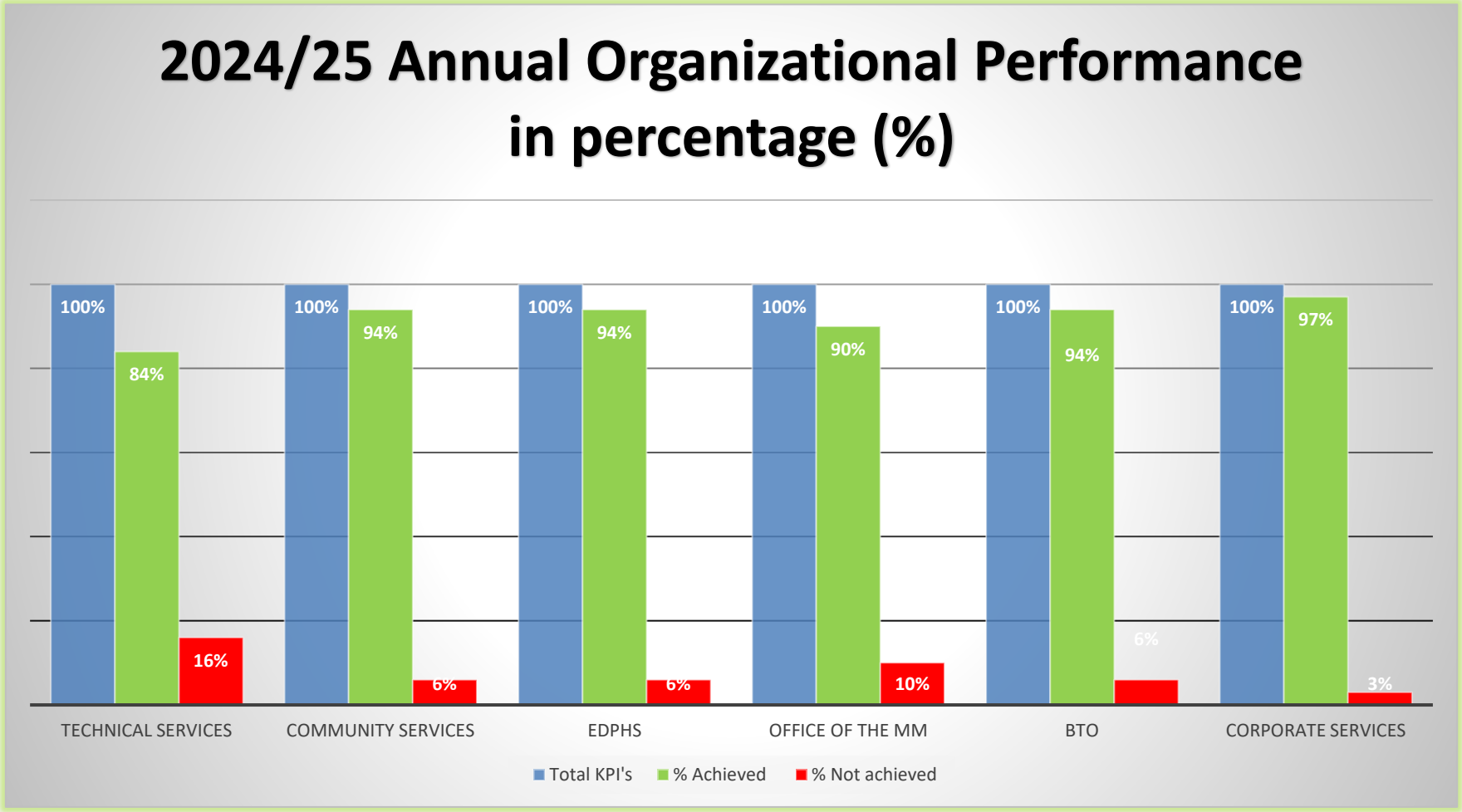
This pie chart below depicts the distribution of key performance indicator (KPI) to each national key performance area (NKPA). It is helpful to highlight the number of KPI's contributing to the NKPA because; it gives an indication where the municipality's focus is in terms of contributions towards the NKPA's.



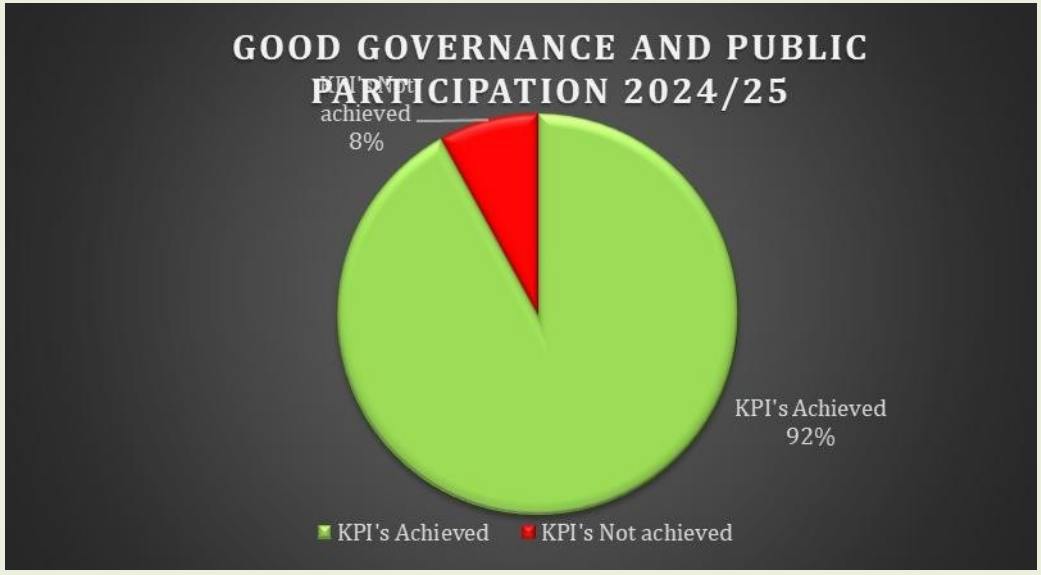
Evidently the pie chart shows that the municipality has most of its KPA's in the top two dedicated to ***Local Economic Development*** at 100% and ***Spatial Rational and Environmental Management*** at 100%. **Municipal Transformation and Institutional Development** at 98% followed by ***Good Governance and Public Participation*** at 92%. **Municipal Financial Viability Management** at 89% and ***Basic Service Delivery*** *at* 85%.

The following graphs illustrate the overall performance of the Municipality measured in terms of the Top Layer (Strategic) SDBIP as at the end of the year that ended 30th of June 2025.

2024/25 Annual Organizational Performance in percentage (%)


2024/25 Annual Organizational Performance in percentage (%)
100%
84%
16%
100%
94%
6%
100%
94%
6%
100%
90%
10%
100%
94%
6%
100%
97%
3%
TECHNICAL SERVICES
COMMUNITY SERVICES
EDPHS
OFFICE OF THE MM
BTO
CORPORATE SERVICES
Total KPI's
% Achieved
% Not achieved

4.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION



This pie chart displays the performance achieved under the Good Governance and Public Participation (GGPP) National Key Performance Area (NKPA).

As indicated, there were **93** key performance indicators (KPI's) that the municipality had planned to achieve in the 2024/25 financial year. The municipality achieved **86** of their planned targets and **7** targets were not achieved. Which translates to an overall of **92% achievement** in the 2024/25 FY.

Under this KPA we focus on the following areas;

- Integrated Planning
- Policy Development
- Public Participation
- Internal Audit and Risk management
- Anti-Corruption Strategy

The municipality managed to develop and adopted its New 5-year Integrated Development Plan (IDP), Performance Management System (PMS) and Budget 2023-2027 in line with the prescribed legislation (Municipal Finance Management Act, Act 56 of 2003 and Municipal Systems Act, Act 32 of 2000 as amended). The municipality ensured that all stakeholders were engaged on the adopted process plan as a guide for the development and review of the IDP, PMS and Budget and this was done through IDP Representative Forums, and this process also included the office of the MEC for Co-operative Governance and Traditional Affairs and comments receive from the said office were further affected onto the final Process Plan. Further to the above, the IDP Unit played a key role in the council strategic planning session which was held in Drakensburg in September where council deliberated on various issues including those that needed to find space in the new IDP.

- The Municipality during the term under review conducted a successful IDP Capacity Building workshop for councilors and ward committees which was aimed at inducting both councilors and ward committees on IDP related matters including the development of ward-based plans. The

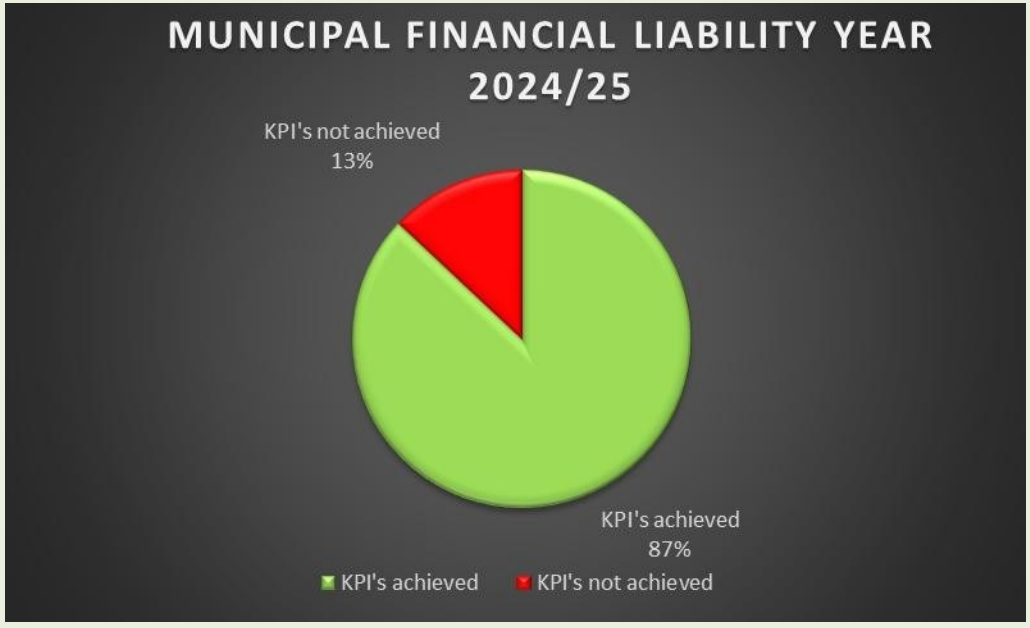
municipality in line with Section 16(1)(a)(i-iv) of the Municipal Systems Act which encourages the involvement and participation of communities and other stakeholders in the affairs of the municipality in particular IDP, PMS and Budget planning process engaged all communities across the municipality at Ward levels through a ward by ward approach and all other stakeholders to ascertain their needs and issues for consideration during the development of the New 5 year Integrated Development Plan and Plan.

- Also, the municipality through SECO Partnership received the outcomes of the 2014 survey conducted by the World Bank on "Doing the Business within iLembe and Mandeni" and the results proved the processes and turn-around time for compliance before investors start their businesses to be lengthy and complicated.

4.6 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The Budget and Treasury Office is a municipal department that was established in terms of Chapter 9 of the Municipal Finance Management Act No.56 of 2003 (MFMA). Its major role is to administer municipal funds, advise the accounting officer and other departments of their role in terms of this Act and to perform budgeting, accounting, analysis, financial reporting cash management, debt management, supply chain management, financial management, review, and other duties.

Below is a graph demonstration of the performance of this department in the 2024/25 financial year.



This pie chart displays the performance achieved under the Municipal Financial Viability Management (MFVM) National Key Performance Area (NKPA).

As indicated, there were **53** key performance indicators (KPI's) that the municipality had planned to achieve in the financial year. The municipality achieved **47** of their planned targets and **06** targets were not achieved. Which translates to an overall of **87% achievement** in the 2024/25 FY.

MONITOR THE EXPENDITURE OF THE MUNICIPALITY'S BUDGET

The Municipality continued to exercise proper budget monitoring during the 2024/25 financial year to ensure effective utilization of grant funding. The percentage spent on MIG was 100%. The Municipal Infrastructure Grant (MIG) was fully spent, including funds rolled over from the previous financial year. This comprised a DORA allocation of R41,101,000 and a rollover amount of R5,377,560. All projects under the MIG programme were successfully implemented in line with the approved MIG project plan.

In contrast, the Integrated National Electrification Programme (INEP) reflected under-expenditure during the 2024/25 financial year. Although a total budget of R9,227,000 was initially allocated, only R1,500,000 was received and spent fully. This was mainly due to the remaining tranches not being transferred by the Department, as the Municipality experienced delays in spending the first tranche received. The delays were a result of non-compliance with certain grant conditions. Consequently, an adjustment budget was processed to reduce the INEP allocation by R7,727,000 to align the budget with the actual funds received and expenditure performance.

PAY ALL SUPPLIERS WITHIN A LEGISLATED PERIOD

The Municipality continue to do well on the payment of creditors. The outstanding balances are linked to issues identified on the individual invoices. Reasons are normally given of the dispute for reconciliation to be done before invoice can be paid.

CONDUCT ALL EXPENDITURE RECONCILIATIONS

The Municipality is still ensure that Finance section perform the reliable financial information, it is significant that reconciliations are done monthly basis. This is what makes it easy for the municipality to be able to give better assessment of the budget. The ability to produce a trial balance allows us to produce the financial statements quarterly and give analysis of information and ratios. Monthly reports are sent to the portfolio committee with all relevant information for decision making. Section 71 reports are produced for the mayor and submitted to treasuries as per budget reporting format.

MANAGE THE MUNICIPAL ASSETS

The municipality has improved in the administration of assets. The capacity in the unit was provided. This has made it possible to shift from involving external resources by build capacity internally.

Continuous assessment of assets for impairment is being done. It is appreciated that the unit is now able to account for depreciation monthly. Monthly reconciliations are a contributing factor to a good report from the auditor general.

IMPROVE THE COLLECTION RATE

The balance of the amount outstanding from debtors has Increased from 236 million to R 257 million in the period from 01 July 2024 to 30 June 2025 (9% Increased).

The culture of non-payment by ordinary households due to poor database and sanctioning tools is still a contributing factor to our poor revenue collection.

The growing municipal debt book is a cause for concern, with management focusing on data collection and cleansing as part of a broader strategy to enhance debt collection. By the end of the current financial year (2025/2026), the database is expected to reflect an accurate view of outstanding debts. Management plans to implement a debt collection strategy that includes engaging a third-party debt collection service, targeting debts older than 90 days (excluding government debt). To encourage timely payments, the Municipality is exploring the possibility of offering discounts to prompt-paying consumers.

As part of the revenue enhancement strategy, door-to-door visits are being conducted to collect outstanding debts, verify consumer data, and serve Section 129 demands. The indigent office is also actively engaging in an outreach program to collect indigent applications and ensure access to Free Basic Electricity. and will be expanded to other wards. Our visitations have resulted into serious dialogues with our community members, wherein they have raised serious concerns about refuse bags dispatching methodologies, non-existent of our satellite offices which are much closer to our people and high legal costs for property transfers.

The analysis of vacant properties is underway; the aim is to exhaust all necessary steps before the abandoned vacant properties are advertised for sale in execution.

Management have initiated the outreach program where Quarterly visits are carried out on different wards, the program is aimed at adding a number of indigent households who face challenge to access municipal Offices.

CONDUCT ALL REVENUE RECONCILIATIONS

The municipality has adopted the revenue enhancement strategy. This is being implemented. This strategy is a process that is mainly supported by external stakeholders. Its impact will be assessed going forward. At this point in time, it is important that an opportunity is given for its support.

MANAGE THE SUPPLY CHAIN PROCESSES.

The success of the SCM Unit is dependent on the role played by the user departments. To control the unit, the procurement plans were instituted and implemented. However, these plans are not perfectly followed. Improvement is monitored through working together with other departments.

Bid Committee have worked tremendously to support the functioning of the unit. At the close of June 2025 all tenders were awarded. Due to planning in some units, there is an increase in deviations. This situation is being addressed.

Contract management is earmarked for the improvement as this is an area that the report of the auditor general has pointed out some weaknesses, Including the maintenance of the documents, monitoring of service providers, transfer of the skills etc.

A proper procedures to be in place.

The SCM section going forward is planning to appoint a permanent qualified personnel and improve the workflow processes.

PERFORM MONTHLY FINANCIAL REPORTING

Mandeni Municipality can produce the budget in time as expected and in the format that is required. Monthly S71 reports are produced and reported to Treasury. This is commended that the municipality can report on the norms and standards ratios as recommended by NT Circular 72.

The municipality is appreciated that the municipality can report on the norms and standards ratios as recommended by NT. In the implementation of budget, it is noted that other line items are overspent. In some instances some of these overspent is caused by non-compliance with procurement plans.

Others are due to unforeseen circumstances. This will result onto unauthorized expenditure. The adjustment budget is considered as part of the assessment for half yearly budget

In term performance section 52 report was prepared for submission to the Mayor and Council. The significant of this report in the half year of the financial year, it gives the accumulative performance of the budget that plays an important role in preparing section 72 report as a compliance.

PERFORM QUARTERLY PERFORMANCE MANAGEMENT SYSTEM REPORTING.

The municipality adapt municipality to reduce the costs of using paper. The municipality has improved in the Organizational performance management system and reduce the cost of paper, currently the PMS is fully functional with PMS automated system where reporting is no longer occurred in paper this e-PMS improved performance of the municipality.

PERFORM ANNUAL FINANCIAL REPORTING.

The achievement were high in the submission of the AFS in that reports were audited and found to have no errors in the past three years

The standard chart of the Mscoa was introduced by NT. The objective of the regulation is to provide a national standard for the uniform recording and classification of municipal budget and financial information at transactional level by providing aligned to budget formats and accounting standards.

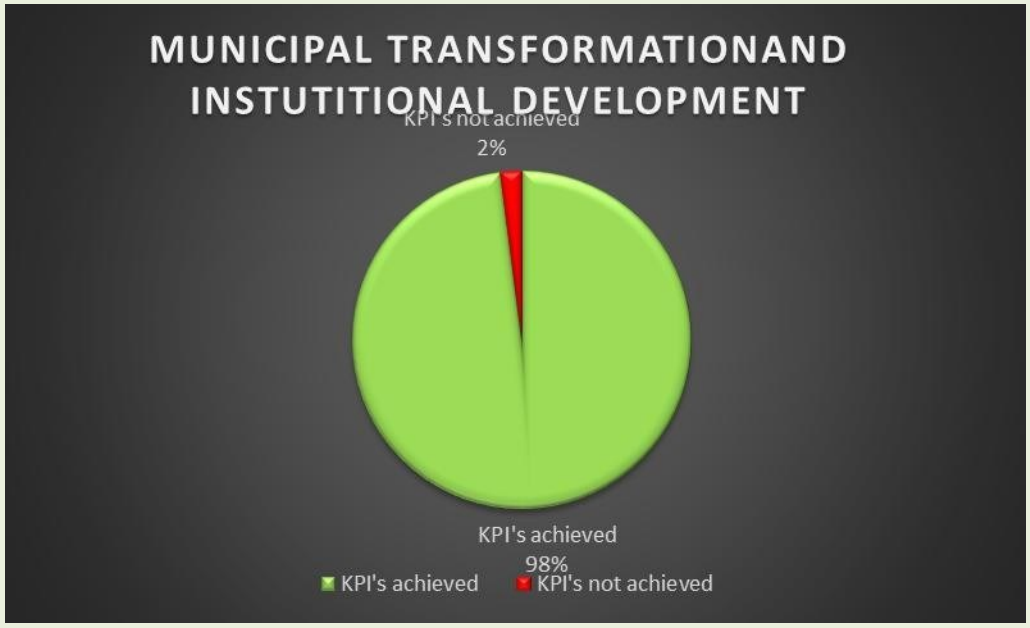
The municipality prepared and adopted its budget for 2024/25 MTREF financial year in an mSCOA classification framework which is made up of seven segments.

The revenue generated by the Department has contributed towards the municipal revenue base during the year under review. Further awareness campaigns will be conducted by the Department on the various bylaws applicable in each section to ensure that there is an improvement in the level of compliance by the community which will further increase the departmental contribution towards the overall municipal revenue stream.

To ensure effective Municipal Financial Viability and Maintenance the Municipality did the following.

- Regular reporting is being done to funders of grants as per funding requirements and compliance with the Division of Revenue Act. (NDPG, MIG, EPWP, FMG and INEP).
- Maintain and improve municipal cash flows.
- Spent 100% of MIG funding.
- Participated in MSCOA implementation by ensuring attendance to Project Steering Committee meetings held quarterly by the Budget and Treasury department.

4.7 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT



This pie chart displays the performance achieved under the Municipal Institutional Transformation and Development National Key Performance Area (NKPA).

As indicated, there were **42** key performance indicators (KPI's) that the municipality had planned to achieve in the financial year. The municipality **achieved 41** key performance indicators and **01** was **not achieved.** Which translates a scintillating performance of **98% achievement** in the 2024/25 FY.

ADOPTION OF MUNICIPAL POLICIES AND FIVE YEAR HR STRATEGY

- The municipality had a target of 31 May 2025, for the Identification, review, and adoption of municipal policies. This target was successfully achieved, hence there was a session that was conducted on the 19-21 of May 2025, where all departmental policies that require adoption were adopted by Council.
- The IDP aligned organizational and departmental organograms were Developed and adopted on the 29nt of May 2025.

EMPLOYMENT EQUITY PLAN, LOCAL LABOUR FORUM, AND LABOUR RELATIONS

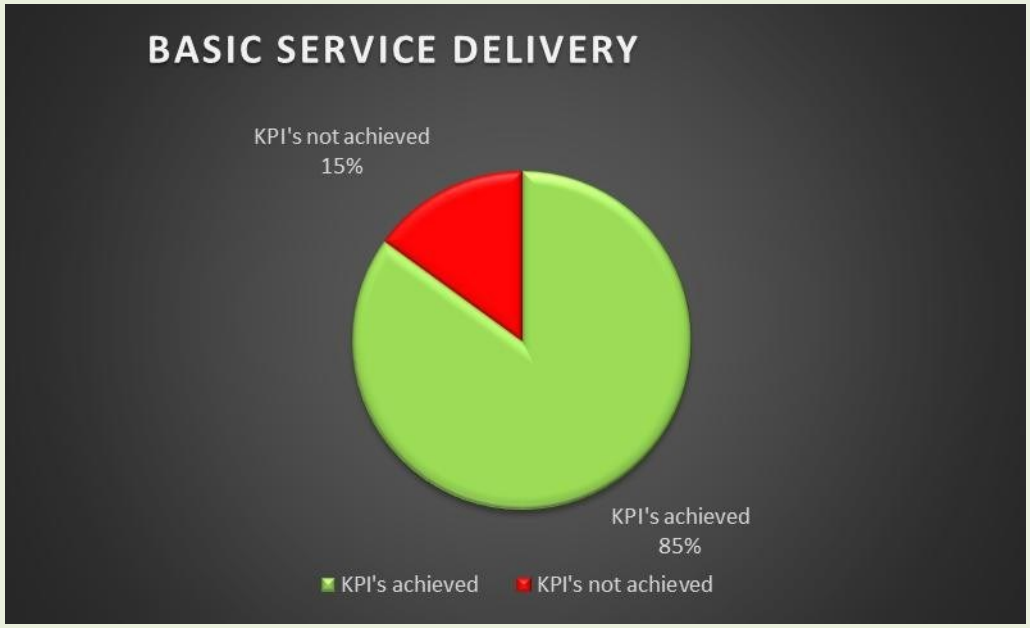
- The municipality maintained the functionality of the Local Labour Forum was achieved by holding 4 Local Labour Forum meetings, the target was 4 and the department had no variance.
- 4 quarterly Labour relations reports were submitted to MANCO in the year 2024/25, the actual target was met.

SKILLS DEVELOPMENT

- The Municipality conducted the Skills 2024/25 auditing process.
- The workplace skills plan was developed and was adopted by the HRDC on the 12 April 2024.
- The workplace skills plan was submitted to LGSSETA on the 17 April 2024.
- The total Number of employees that were trained according to the WSP prescriptions were 165. The actual target was 148. The target was achieved.

- The Actual amount spent on skills development in the 2024/25 financial year was R1 551 961.58. The targeted amount to be used was R1 211 811.08.
- For Effective implementation of recognized collective agreements, applicable legislation and policies, the Department conducted workshops half-yearly on collective agreements and applicable legislation and policies.

4.8 BASIC SERVICE DELIVERY


BASIC SERVICE DELIVERY
KPI's not achieved
15%
KPI's achieved
85%
KPI's achieved
KPI's not achieved

This pie chart displays the performance achieved under the Basic Service Delivery National Key Performance Area (NKPA).

As indicated, there were **90** key performance indicators (KPI's) that the municipality had planned to achieve in the financial year. The municipality achieved **77** of their planned targets and **13** targets were not achieved. Which translates to an overall of **85% achievement** in the 2024/25 FY.

HOUSING DEVELOPMENT

- The municipality during the Financial Year under review had only 4 housing projects that were under construction funded by the Department of Human Settlements (DoHS) during the 2024/25 financial year being Inyoni Integrated Housing Project (Ward 3, 7, 10, 11, 12, 13, 14, 15,16, 17and 18), phase five of the Macambini Rural Housing Project (Ward 1, 2, 8 and 9) and phase three of the Isithebe Rural Housing Project (Ward 11, 12, 16, 17 and 18).
  Though some progress has been on the ground, the human settlements portfolio has been affected by budget constraints at the Department of Human Settlements which has result in progress moving at a rather slow rate. The progress registered during the financial year under the various housing projects which is outlined below:

- **Inyoni Housing Project:** In the 2024/2025 financial year construction of units under project construction phases 1, 2 and 3 was underway for approved beneficiaries. To date 1165 units. There are 350 units to be completed under phase 1, 2 and 3. The project has experienced implementation challenges. The implementing agent submitted a request to withdraw from the project. The Department is accordingly conducting close out process with the implementing agent. The close process will serve to scope works for a new implementing agent that will be appointed to complete the outstanding 350 units across phase 1,2 and 3. The installation of bulk and internal service infrastructure are currently underway in phase 4 of the project. Once progress on the ground reached 70% toward completion, processes to appoint a service provider to complete top structures in phase 4 will be initiated.

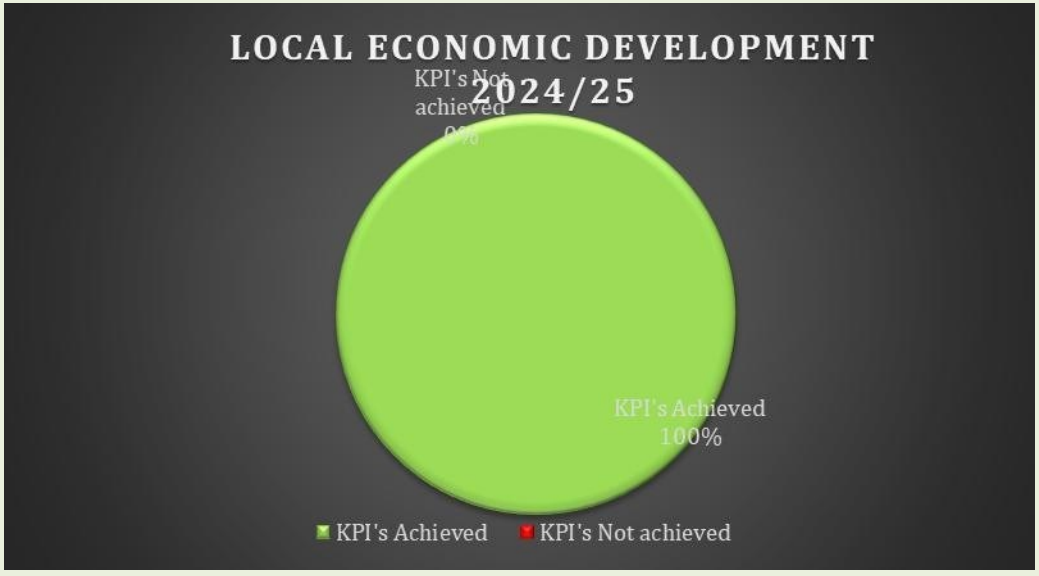
- **sithebe Rural housing (11,12, 16, 17 and 18):**

The Department of Human Settlement approved 300 units for Phase 3 of the project (300 out of 2000 units). The completion of project sub-phases 1 and 2 has yielded a total of 600 units that have been handed over to beneficiaries of the project. The 2024/2025 financial year was dedicated to completing phase 3 of the project, however this was negatively impacted by the aforementioned budget constraints which resulted in the implementing agent vacating the site at some point during the financial year thus the progress made is very limited. The agent has since returned to site and resumed construction activities To date, under the current phase 185 houses have been completed, 14 units are at roof level, 34 units are at wall-plate level, 70 units are at foundation level.

Macambini Housing Project (Ward 1, 2, 8 and 9): This housing project has progressed significantly. During the 2024/2025 financial year all phases of the project came to completion.

Macambini Rectification Housing Project (wards 1, 2, 8 and 9): rural housing project comprising 465 sites is situated on land owned by the Ingonyama Trust Board, within the Macambini Tribal Authority and under the jurisdiction of the Mandeni Local municipality. The project was approved on 6 November 2000 by the MEC at the time as a "special project" amongst other projects. The units built were one rooms; these units have since dilapidated and cannot accommodate families In need of adequate housing. The Municipality, subsequently submitted a request to have the units upgraded into 40m² BNG units, funding was approved by the Department of Human Settlements. Construction has commenced on site. To date 41 platforms have been cut, 34 foundations have been built, and 19 wall plates have been built**.**

4.9 LOCAL ECONOMIC DEVELOPMENT



This pie chart displays the performance achieved under the Local Economic Development National Key Performance Area (NKPA).

As indicated, there were **26** key performance indicators (KPI's) that the municipality had planned to achieve in the financial year. The municipality achieved **26** of their planned targets and **0** target was not achieved. Which translates to an overall of **100% achievement** in the 2024/25 FY.

This NKPA needs to be considered very attentively hence, it plays a huge impact on service delivery and is essential for the economic growth of the municipality, as well as empowering Local businesses.

SMME'S

- The Municipality played and imperative role in empowering local residents,
- number of SMME's and Cooperates supported on Quick Wins by 30 June 2025 had a target of 75, and the municipality achieved 75. There was a need to ensure all wards are benefitted. Further the municipality eradicate poverty by supporting 3 emerging entrepreneurs, a target of 3 was set and it was achieved all 3.

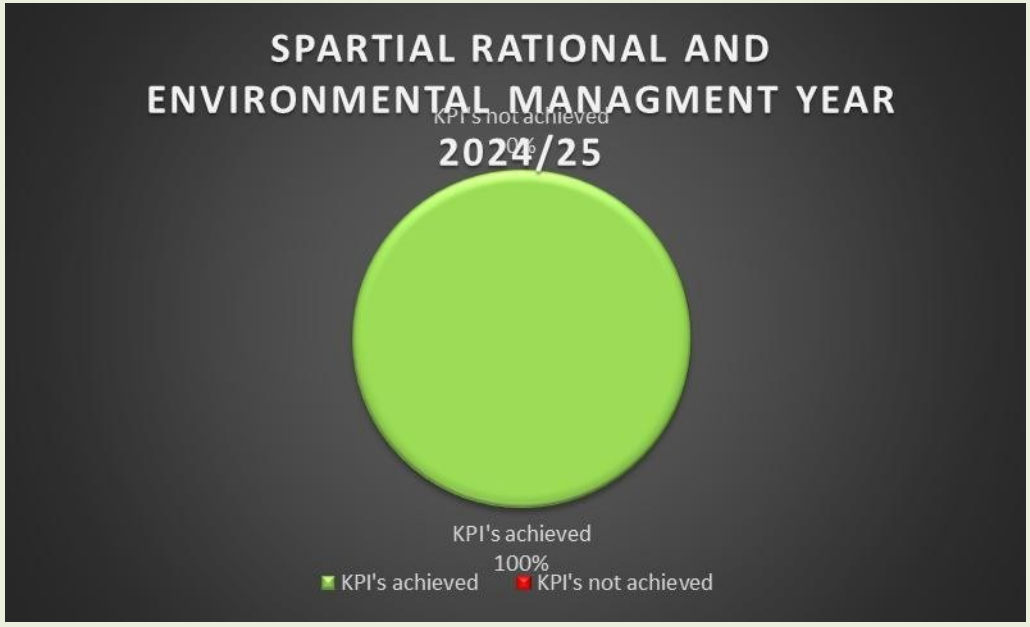
COMMUNITY WORKS PROGRAMME (CWP)

- A target of 506 jobs created through implementation of infrastructure projects and EPWP by 30 June 2025 was set. However, 864 jobs were created.

REGISTRATION BURSARIES AWARDED TO BENEFICIARIES

- Registration bursaries for matriculants and scholarship awards was achieved on the 05 February 2025.

4.10 SPATIAL RATIONAL AND ENVIRONMENTAL MANAGEMENT



This pie chart displays the performance achieved under the Spatial Rational and Environmental National Key Performance Area (NKPA).

As indicated, there were **03** key performance indicators (KPI's) that the municipality had planned to achieve in the financial year. The municipality achieved **all** of their planned targets . Which translates to an overall of **100% achievement** in the 2024/25 FY.

FORWARD PLANNING

- The municipality managed to review and adopt Spatial Development Framework by Council on the 30 May 2025.

- The municipality also managed to perform the preparation and adoption of Precinct Plans for Mandeni Ext 8 on the 25 June 2025.
- In terms of Land Use Management, the planning unit reviewed the existing Mandeni Land Use Management Scheme to incorporate the rural component of the Municipality forming a Municipal Wall-to-Wall Scheme in line with the National SPLUM Act. This project was funded by Provincial COGTA. The wall-to-wall scheme was amended through the legislated processes with the project team inclusive of Provincial departments, Ilembe District family of Municipality, Mandeni Municipality units and also included uMlalazi Municipality which we share a boundary within the north for ease of cross-border planning alignment.

  The said scheme went to public consultation to source inputs from the interested and affected parties, the impacts of the zonings and revised development controls. Further engagements were undertaken through formal council structures to sensitize the leadership of the implications of the review and how it will impact the community and business sectors alike. This was presented to full Council for approval in June 2021 rubberstamping the document.

  In June 2024, minor amendments were also done to the same documents and adopted by Council as well. It must be noted that the LUMS document is a working document therefore requiring continuous amendments to deal with the very dynamic Municipal conditions.

SPATIAL PLANNING AND SPLUMA

- The Municipality in its implementation and compliance with Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) processes development applications through the District Joint Municipal Planning Tribunal (MMN JMPT) constituted by the three local Municipalities namely Mandeni, Maphumulo and Ndwedwe Municipality. During the year under review, a total of 9 planning applications were received by the

Municipality for assessment. Four applications have been tabled to the MMN JMPT for approval and 3 were approved with conditions and 1 application was referred to the applicant. The other five (5) applications are within the legislated timeframes and are being subjected to the legislated processes of SPLUMA.

- The Planning unit continues to receive applications pertaining to land requests for various uses ranging from the establishment of small businesses to the establishment of municipal office space by government departments and service delivery projects by the internal municipal departments. These applications and requests are channeled through the various council structures accordingly.

4.11. DEPARTMENTAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024 (AS PER SDBIP)

The SDBIP serves a critical role to focus both the Administration and Council on outputs by providing clarity of service delivery expectations, expenditure and revenue requirements, service delivery targets and performance indicators.

The SDBIP provides the vital link between the Mayor, Council (Executive) and the Administration, and facilitates the process for holding Management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the Mayor, Councilor's, Municipal Manager, Senior Managers and Community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of Senior Management and achievement of the strategic objectives set by council.

It enables the Municipal Manager to monitor the performance of Senior Managers, the Mayor to monitor the performance of the Municipal Manager, and for the Community to monitor the performance of the Municipality.

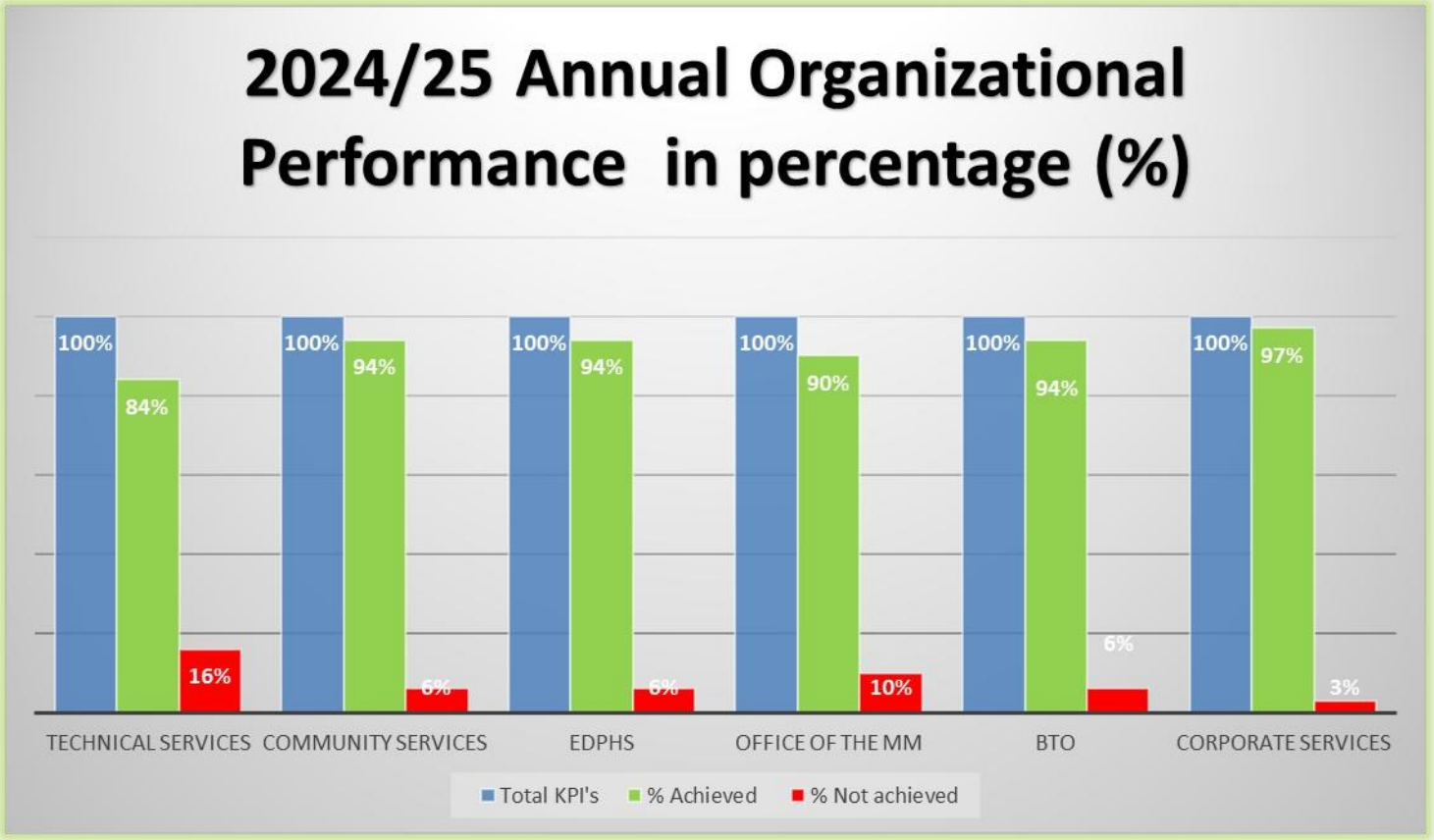
The SDBIP should therefore determine (and be consistent with) the performance agreements between the Mayor, Municipal Manager and the Senior Mangers determined at the start of every financial year approved by the mayor. It must also be consistent with outsourced service delivery agreements such as Municipal Entities, Public-Private Partnerships, and service contracts. The SDBIP's for each department are attached as annexure as follows:

- Department: Office of the Municipal Manager
- Department: Budget and Treasury
- Department: Technical Services and Infrastructure Development.
- Department: Community Services and Public Safety.
- Department: Corporate Services
- Department: Economic Development Planning and Human Settlements.

Departmental SDBIP indicates performance indicators per National Key Performance Areas and comments with corrective measures with regards to indicators not achieved for the office of the Municipal Manager, Budget and Treasury Office, Technical Services, Community Services, Corporate Services and EDP Department.

The following are departmental annual performance summaries for the 2023/24 financial year.

Below is a graphical demonstration of how the Departments performed in the year in review:

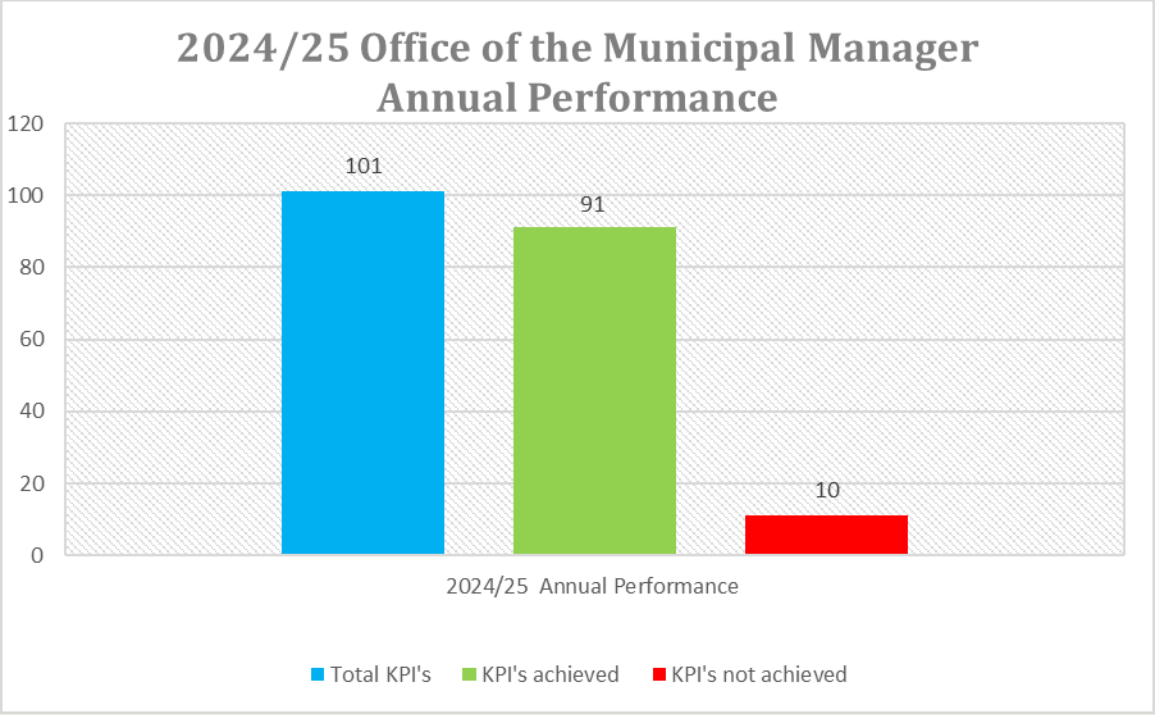


OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager is the nerve centre of Mandeni Municipality. The municipality has achieved tremendous progress since the new administration assumed office. The Municipal Manager's office has recently beefed-up its human resources capacity through the establishment of the following units:

- Internal Audit
- Risk management
- Performance Management Systems
- Special Programmes
- Municipal Public Accounts
- Communication
- Public Participation

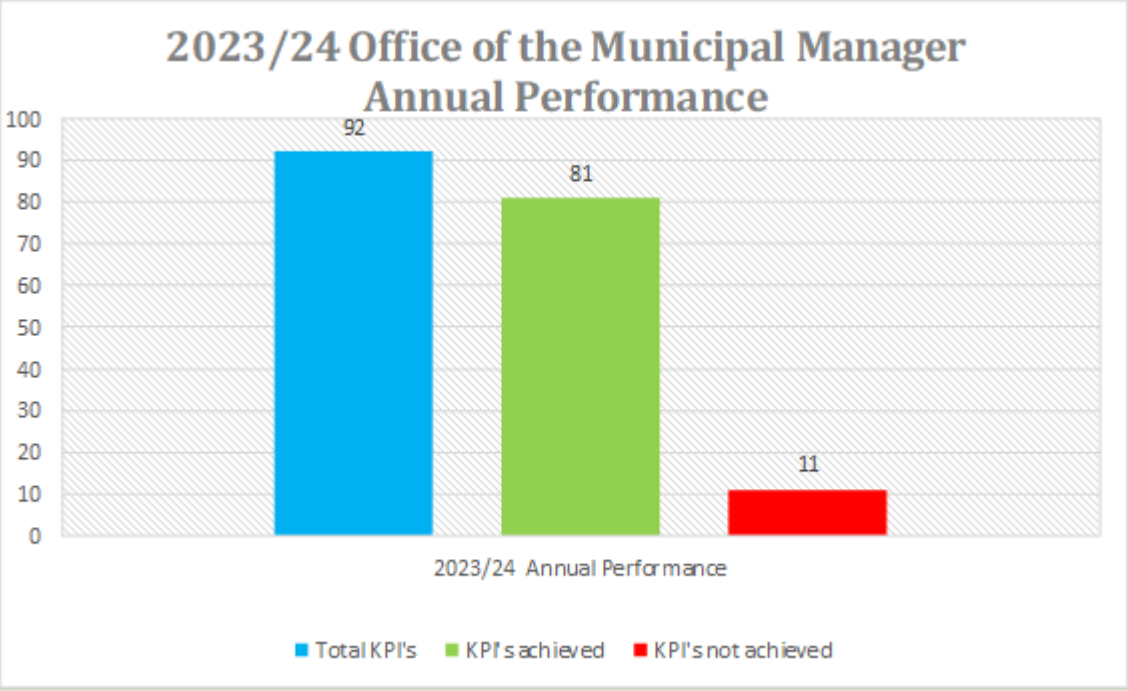
Below are the graphs representing the performance of the Municipal Manager's Office in the 2024/25 and 2023/24 financial years and a comparative SDBIP of the Office of the Municipal Manager's performance.



	Number of KPI's	Percentage of KPI's
Total KPI's	101	100%

KPI's achieved	91	90 %
KPI's not achieved	11	10%

The office of the Municipal Manager had a total of 101 KPI's in the 2024/25 financial year. 101 targets were achieved, whilst 11 were not achieved. This translates to an overall achievement of 90% of the KPI's for the office of the Municipal Manager.



IDP REF	KPI NO.	Key performance indicator (KPI's) 2024/25	2023/24		2024/25		REASON FOR VARIENCE	CORRECTIVE MEASURE	POE
			Target	Actual	Target	Actual			
BSD 01	1	Date of completion of the Installation of Streetlights on P415 & P459 in ward 3 by 31 December 2024	New Indicator		31-Dec-24	17-Dec-24	N/A	N/A	Practical completion certificate
BSD 01	2	Date of completion of installation of Khenana high must lights in Mandeni, phase 2 in ward 10 by 31 December 2024	New Indicator		31-Dec-24	05-July-24	N/A	N/A	Practical completion certificate
BSD 02	3	Date of completing the Rehabilitation of 1.23kms of internal roads (Mthombeni, Mbabala, Umgakla & Sondeza internal Roads) and Upgrade of Associated	30-June-24	Not Achieved	30 June 2025	27-June-25	N/A	N/A	Practical completion certificate

		stormwater in sundumbili, ward 13 phase 1 (Finalizing of remaining 61% scope of work) by 30 June 2025							
BSD 02	4	Date of completing the rehabilitation of 1.6kms of internal roads (Rehabilitation of phumla, Indumiso and Malandela internal Roads) and upgrade of associated stormwater in sundumbili, ward 13 phase 2 & ward 14 white city section by 31 December 2024	30-June-24	Not Achieved	31-Dec-24	31-Dec-24	N/A	N/A	Progress report and completion certificate
BSD 02	5	Percentage of completion of Upgrade of 1.5kms Machibini Link Road in Wards 10 & 12 by 30 June 2025	New Indicator		40%	45%	N/A	N/A	Progress report by Consulting engineers

	6	Percentage of completion of rehabilitation of 0.99km Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase 1, by 30 June 2025	New Indicator	100%	Not Achieved	Mid-Term Q1: N/A Q2: project is at 49% completion. project delayed due to adverse weather conditions that did not allow for construction works to proceed. delayed with finalization of CPG contracts. Q3: Adverse weather conditions delaying progress on site and poor performance of contractor. Q4: heavy	Mid-Term: Q1: N/A Q2: finalization of CPG contracts, constant monitoring of contract performance through monthly technical site meetings and submission of monthly contractor and consultant performance assessment forms. Q3: approval of extension of time and issuing of notices of	Progress report by Consulting Engineers and Practical completion Certificate

						rainfall experienced between month of January and February that delayed work on site, Transnet servitude, acquiring of suitable G9 material and relocation of water pipeline.	default for poor performance. Q4: Approval of extension of time without cost.	
BSD 02	7	Percentage of completion of 250m Extension of Kingfisher Road in ward 3 by 30 April 2025	New Indicator	100%	100%	N/A	N/A	Progress report by Consulting Engineers and Practical completion Certificate

BSD 02	8	Percentage of completion of rehabilitation of 420m Masilela road in ward 14 by 30 June 2025	New Indicator	100%	100%	N/A	N/A	Progress report by Consulting Engineers and Practical completion Certificate
BSD 02	9	Percentage of completion of Rehabilitation of 750m Links Road Masomonce bus route and enembe/isithebe link road in ward 13 by 31 March 2025	**Removed due to budget reprioritization.**					
BSD 02	10	Percentage of practical completion for the construction of a sports field and combo court in Hlomendlini, Ward 4(Finanlization of the remainder 50% scope of work) by 30 June 2025	New Indicator	100%	35%	Q1: Commencement with preparation of design/preliminary report. The commencement was delayed due to challenge of receipt of relevant documentation from terminated consultant. The above	Q1: Finalization of preliminary report and bid document. Q2: constant monitoring of contractor's performance through monthly technical meetings and performance	Appointment letter, progress report and Completion Certificate

						information is required to finalize completion of the project. Information was requested on the 25th of April 2024 and only received by the 20th of June 2024. Q2: Contractor appointed on the 12th of December. Project technical handover meeting and launch of project conducted on the 15th of January 2025. Access site was issued on the 29th of January 2025. Q3: project is at 20% completion. project delayed due to adverse weather	assessment forms. Q3: Approval of extension of time (EOT). Q4: Approval of extension of time (EOT) and issuing of notice of default.	

						conditions experience in the month of march affecting 17 days, that did not allow for construction works to proceed. Q4: project is at 35% completion. project delayed due to adverse weather conditions experience between the month of April and May affecting 16 days, that did not allow for construction works to proceed. Poor performance of contractor		

BSD 02	11	Percentage of completion of the extension of Mechanical phase 2 in ward 3 by 30 June 2025	New Indicator	25%	Not Achieved	Q1: Development of project concept for the project. Q2: Draft inception and preliminary design report was completed and submitted for review. Based on the submission, the required budget estimate was greater than available budget. Q3: finalized scoping and cost estimate of the project on the 17th of March 2025 and draft tender document submitted for review the 25 March 2025. Q4: Tender document	Q1: finalization of project concept in preparation of incept report. Q2: review the scope of work to align it with the available budget. Submission of revised cost estimate and draft tender document. Q3: Submission of tender document for procurement of service provider. Q4: Finalization of contractor's appointment and provision of budget for the outer year. this project will	Appointment letter, progress report by consulting engineer

						submitted for BSC consideration on the 7th of April 2025. Initial advert closed on the 12th of May 2025. Bid had to be cancelled due to CIDB grading required for the bis and readvertised. The bid closed on the 23rd of June 2025. Bid was cancelled because the responsive bidders tender price was above the budgeted amount.	be multiyear project. Provision of budgeting for the project in the outer years.	
BSD 02	12	Percentage of completion of cemetery development, fencing and construction of the guard house in ward 4 by 30 June 2025	New Indicator	100%	Not Achieved	Mid-Term: Q1: N/A Q2: project at procurement stage. bid closed on the 27th of December. Q3: bid had to	Mid-Term: Q1: N/A Q2: Appointment of contractor to be finalized before the end of January 2025.	Appointment letter, progress report and Practical Completion Certificate

							be readvertised. after closing of bid, the intention of award has been issued. Q4: project was awarded on the 15th of April however could not continue due to community disruption that occurred and gave rise to stoppage of project.	Q3: finalization of appointment of contractor. Q4: scheduling of public meeting to address concerns and reprioritization of project.	
BSD 02	13	Number of m^2 of potholes repaired and maintained in wards 2,3,4,7,10,12,13,14 &15 by 30 June 2024	2700 m²	4107.2m²	2700m²	4107.2m²	N/A	N/A	Measurement Reports

BSD 02	14	Number of metres of guard rails (250m) to be installed in wards 11, 13, 14 and 15 by 31 March 2025	300m	150m	250m	150m	Mid-Term: Q2: SCM delays on the processes. The requisition was initiated on 1 August 2024. a quarter before it was due. Please see the attached. Q3: There was a delay in the procurement process. Please find attached requisition dated 01/08/2024 and advert dated 13/03/2025 as POE. Q4: The Requisition was sent to SCM on 01/08/2024. A Purchase Order was never received by CO&M.	Mid-Term: Q2: The request will be initiated much earlier than the current done. it will be done in July. Q3: The requisition request will be submitted early to prevent any delays from SCM. Q4: Requisitions must be submitted to the SCM department early, that is, during the previous quarter. This will provide them with sufficient time to conduct their processes.	Progress report and Completion Certificate

BSD 02	15	Number of metres of kerbs and concrete channel (250m) to be constructed in wards 2,3 and 12 by 31 March 2025	250m	250m	250m	250m	N/A	N/A	Progress report Completion Certificate
BSD 02	16	Number of kilometres of gravel roads (320km) maintained in-house in ward 1,2,4,5,6,7,8,9.10,11,12,16,17 and 18 by 30 June 2025	300km	312.05km	320km	333.2km			Measurement Reports
BSD 02	17	Number of speed humps (25) to be constructed in ward 3,7,13,14 and 15 by 30 June 2025	25	26	25	25	N/A	N/A	Completion Certificate

BSD 02	18	Percentage of 1km road regravelling from KwaNgcobo leading to KwaMwandla Ward 11 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and completion certificate
BSD 02	19	Percentage of 1km road regravelling from Kwamjulelwa leading to eziMpohlweni Ward 15 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and completion certificate
BSD 02	20	Percentage of 1km road regravelling from KwaMathonsi estobhini leading to KwaMthembu estobhini Ward 16 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and completion certificate

BSD 02	21	Percentage of 1km road regravelling from Ezimangweni leading to Okhalweni Ward 17 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and completion certificate
BSD 02	22	Percentage of 1km road regravelling from Sithebe library leading to Othini area Ward 18 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and completion certificate
BSD 02	23	Percentage of 1km road regravelling of Dabedabe Road in Ward 10 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and completion certificate
BSD 02	24	Percantage of 1km road regravelling of Maqina road in Ward 8 by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and completion certificate
BSD 02	25	Percentage of 1km road regravelling				N/A	N/A	Progress report and completion certificate

		from road D888 leading to KwaMnguni store in Ward 1 by 31 March 2025	New Indicator	100%	100%			
BSD 02	26	Percentage of 1km road regravelling from Esamaqamu road leading to Mgizimba in Ward 5 by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and completion certificate
BSD 02	27	Percentage of 1km road regravelling of Machibini Link Road in Ward 12 by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and completion certificate
BSD 02	28	Percentage of 1km road regravelling of Masinga road in Ward 4 by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and completion certificate
BSD 02	29	Percentage of 1km road regravelling from Carwash P415 to N2 tunnel bridge in Ward 3 by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and completion certificate

BSD 02	30	Percentage of 1km road regravelling from ward 7 Phase 2 to Hlanzeni by 31 March 2025	New Indicator		100%	100%	N/A	N/A	Progress report and completion certificate
BSD 02	31	Percentage of 1km road regravelling from Esikhoveni leading to Nyathini in ward 9 by 31 March 2025	New Indicator		100%	100%	N/A	N/A	Progress report and completion certificate
BSD 02	32	Percentage of completion of mandeni intersection 2 in ward 7 by 31 March 2025	New Indicator		100%	100%	N/A	N/A	Appointment letter, Progress report and completion certificate
BSD 03	33	Number of monthly progress reports (July to Nov 2024) and (Feb. to June 2025 on property transferred/title deeds to Economic Development Planning and Human Settlements by 30 June 2025	10	10	10	10	N/A	N/A	EDPHSPD Reports/Minutes

BSD 03	34	Number of monthly progress reports (July to Nov 2024) and (February to June 2025) on housing delivery submitted to Economic Development Planning and Human Settlement Portfolio Committee by 30 June 2025	10	10	10	10	N/A	N/A	EDPHSPC Report/Minutes
BSD 04	35	Number of m² of monthly grass-cutting performed in all Wards (Ward 1 - 18) by 30 June 2025	7,100,458 m²	9780759 m²	7100458 m²	7876521 m²	N/A	N/A	Grass cutting schedules/registers
BSD 04	36	Number of weekly waste collection in all 18 wards (Ward 1 - 18) by 30 June 2025	260	260	261	261	N/A	N/A	Waste collection plan and register

BSD 05	37	Date of delivery of (30) Skip bins in all wards by 31 December 2024	30-Sept-23	7-Sept-23	31-Dec-24	04-Oct-24	N/A	N/A	Delivery note
MFVM 01	38	Number of monthly Section 71 reports compiled and submitted to Treasury by 30 June 2025	12	12	12	12	N/A	N/A	The proof of submission to NT and section 71 item submitted to the FPC section 71 report.
MFVM 01	39	Date of submission of Section 72 reports to Council by 31 January 2025	31-Jan-24	31-Jan-24	31-Jan-25	30-Jan-25	N/A	N/A	Council resolution
MFVM 01	40	Number of quarterly Section 52 reports compiled and submitted to council by 30 June 2025	4	4	4	4	N/A	N/A	Section 52(d)reports and Council Resolution

MFVM 01	41	Percentage of operational budget spent by 30 June 2025	100%	100%	100%	99%	N/A	N/A	Management account
MFVM 01	42	Date of submission of 2024/25 Mscoa compliant budget to council for adoption by 31 May 2025	31-May-24	23-May-24	31-May-25	29-May-25	N/A	N/A	Council Resolution
MFVM 01	43	Date of submission of 2023/24 Annual Financial Statements and Annual Performance Report to Auditor General by 31 August 2024	31-Aug-23	31-Aug-23	31-Aug-24	31-Aug-24	N/A	N/A	

MFVM 02	44	Amount of quarterly of expenditure on overtime kept within allocated budget by 30 June 2025	R150,000	R468195 .21	R472050. 00	R 852822.98	There were lot of events and meeting took place on weekends and after working hours.	To arrange meetings to take place during the week and reduce the number of employees working on weekends where necessary.	Report from finance showing expenditure on overtime
MFVM 06	45	Date of procurement plans for 2025/26 FY approved by Municipal Manager by 30 June 2025	30-Jun-23	23-May-23	30-June-25	24-Apr-25	N/A	N/A	Signed procurement Plans
MFVM 06	46	Date of delivery of the equipment for sporting codes by 31 December 2024	31-Dec-23	05-Dec-23	31-Dec-24	29-Nov-24	N/A	N/A	Copy of delivery note

GGPP 01	47	Number of monthly media slots acquired with the national and local radio stations by 30 June 2025	12	14	12	13	N/A	N/A	Reports, Media clips and Dated photos
GGPP 01	48	Number of quarterly newsletters issued to public by 30 June 2025	4	5	4	5	N/A	N/A	Copies of newsletters and proof of issuing newsletter to the public
GGPP 01	49	Number of days for disciplinary Board to convene within 30 days after any matter is referred to the board by 30 June 2025	30 days	30 days	30 days'	30 days'	N/A	N/A	Attendance Registers, notice and agenda
GGPP 01	50	Date of presenting 2023/24 draft Annual Report to council by 31 January 2025	31-Jan-24	31-Jan-24	31-Jan-25	30-Jan-25	N/A	N/A	Council resolution

GGPP 01	51	Date of presenting 2023/24 Annual Report to community by 31 March 2025	31-Mar-24	22-Feb-24	31-Mar-25	11-Mar-25	N/A	N/A	Copy of Annual Report/ Attendance register
GGPP 02	52	Number of quarterly ward committee functionality reports submitted to Council by 30 June 2025	4	4	4	3	The report could not be prepared due inadequate information to present/report to Council during the second quarter	N/A	Council Resolution
GGPP 02	53	Number of EXCO meetings coordinated by 30 June 2025	12	11	11	11	N/A	N/A	Attendance Registers, notice and agenda
GGPP 01	54	Number of Council meetings coordinated by 30 June 2025	10	14	10	12	N/A	N/A	Attendance Register, agenda, and notices

GGPP 01	55	Number of quarterly Audit Committee meetings coordinated by 30 June 2025	4	4	4	4	N/A	N/A	Attendance Register & Agenda
GGPP 01	56	Number of monthly MANCO meetings held by 30 June 2025	12	12	12	10	There was Management Committee meeting that was suspended due to over commitment of the municipal manager hence there was an urgent meeting called by troika. And there were KZN Legislature visit that required the MM attention.	N/A	Attendance Registers
GGPP 01	57	Number of quarterly Top MANCO meetings held by 30 June 2025	8	7	4	10	N/A	N/A	Attendance register

GGPP 02	58		4	3	4	2	The responsible person (manager strategic and support) could not prepare the war-room report to EXCO in quarter 4.	N/A	Cluster -War room report and acknowledgement Letter
GGPP 02	59		4	3	4	2	The responsible person (manager strategic and support) could not prepare the Local Aid report to Council in quarter 4.	N/A	Council resolution
GGPP 03	60		3	3	3	3	N/A	N/A	Dated photos, Attendance register, & stop and check list

GGPP 03	61	Number of bi-monthly roadblocks conducted by 30 June 2025	24	36	24	25	N/A	N/A	Attendance register and stop and checklist
GGPP 04	62	Number of bi-annual artist development programme conducted by 30 June 2025	2	2	2	2	N/A	N/A	Dated photos, Programme of the Event and Attendance register
GGPP 04	63	Date of Talent search programme conducted by 31 December 2024	31-Dec-23	31-Dec-23	31-Dec-24	7-Dec-24	N/A	N/A	Dated photos, programme of the event and attendance register
GGPP 04	64	Number of bi-annual sports forum held by 30 June 2025	2	2	2	2	N/A	N/A	Dated photos and attendance registers

GGPP 05	65	Number of quarterly Disaster Advisory forum meetings held by 30 June 2025	4	4	4	4	N/A	N/A	Agenda, Minutes and Attendance register
GGPP 05	66	Date of adoption of the 2024/25 IDP, Budget and PMS Process Plan by 31 August 2024	31-Aug-23	31-Aug-23	31-Aug-24	30-Jul-24	N/A	N/A	Council resolution
GGPP 05	67	Date of approval and adoption of the 2024/25 IDP by Council by 31 May 2025	31-May-24	23-May-24	31-May-25	29-May-5	N/A	N/A	Council Resolution
GGPP 04	68	Date of hosting Annual Heritage Parade and Fashion Design show by 30 September 2024	31-Dec-23	30-Dec-23	30-Sept-24	21-Sept-24	N/A	N/A	Dated photos, Programme of the Event and Attendance register
GGPP 04	69	Number of bi-annual Education forum meetings held by 30 June 2025	2	2	2	2	N/A	N/A	Agenda, Minutes and Attendance register

GGPP 04	70	Date of SALGA games (inter wards) conducted by 30 September 2024	30-Sep-23	30-Sep-23	30-Sept-24	29-Sept-24	N/A	N/A	Dated photo, Programme of the event and Attendance Register
GGPP 04	71	Date of SALGA games (district) conducted by 31 December 2024	31-Dec-23	8-11-Dec-23	31-Dec-24	20-Nov-24	N/A	N/A	Dated photo, Programme of the event and Attendance Register
GGPP 04	72	Date of Club Development programme conducted by 31 December 2024	31-Dec-23	31-Dec-23	31-Dec-24	27-Sept-24	N/A	N/A	Dated photo, Programme of the event and Attendance Register
GGPP 04	73	Date of Mandeni Health Lifestyle programmes conducted by 30 September 2024	30-Sept-23	30-Sept-23	30-Sept-24	14-Sept-24	N/A	N/A	Dated photo, Programme of the event and Attendance Register
GGPP 04	74	Date of Mayoral Cup Tournaments conducted by 30 June 2025	30-Jun-24	19-May-24	30-June-25	3-May-25	N/A	N/A	Dated photo, Programme of the event and Attendance Register

GGPP 04	75	Number of Sports Development programme conducted by 31 December 2024	2	2	2	2	N/A	N/A	Dated photo, Programme of the event and Attendance Register
GGPP 04	76	Date of Top achievers and Sports awards conducted by 31 March 2025	30-Jun-24	15-Jun-24	31-Mar-25	28-Mar-25	N/A	N/A	Dated photo, Programme of the event and Attendance Register
GGPP 06	77	Number of quarterly Risk Management Committee meetings coordinated by 30 June 2025	4	4	4	4	N/A	N/A	Risk committee attendance register
GGPP 06	78	Number of quarterly risk progress reports submitted to risk management unit by 30 June 2025	4	4	4	4	N/A	N/A	Quarterly risk mitigation progress reports.

GGPP 06	79	Number of quarterly risk management committee meetings attended by 30 June 2025	4	4	4	4	N/A	N/A	Agenda and attendance register
GGPP 06	80	Number of consolidated Quarterly Reports on Implementation of Risk Management Action Plans submitted to Risk Management Committee (from CSPSD, EDPHS, TSID, BTO and CSD) by 30 June 2025	4	4	4	4	N/A	N/A	Consolidated Report on risk management
GGPP 06	81	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2025	3 days	3 days	3 days'	3 days'	N/A	N/A	Acknoweledgement Letters

GGPP 06	82	Number of days for management to respond to request for information and Audit Queries raised by Auditor General by 31 December 2024	3 days	3 days		3 days'	3 days'	N/A	N/A	Tracking Tool
GGPP 06	83	Percentage of AG queries in the AG Action Plan resolved by Management within the developed timeframe by 30 June 2025	100%	100%		100%	100%	N/A	N/A	Quarterly progress reports/ Council
LED 02	84	Date of registration bursaries for matriculants and scholarship awards by 31 March 2025	31-Mar-24	14-Feb-24		31-Mar-25	05-Feb-25	N/A	N/A	Attendance registers and letters of bursaries awards
LED 03	85	Date of youthful drivers and education programmes conducted by 30 June 2025	30-Jun-24	30-Jun-24		30-June-2025	7-June-25	N/A	N/A	Copies of driver's license

LED 03	86	Date of youth SMME Support programmes workshops conducted by 30 June 2025	30-Jun-24	20-Jun-24	30-June-25	7-June-25	N/A	N/A	Dated photos and attendance registers
LED 03	87	Number of bi-annual programmes to support Youth Council and Ward Youth Forums by 30 June 2025	2	2	2	2	N/A	N/A	Attendance register
LED 03	88	Date of youth month celebration programmes by 30 June 2025	30-Jun-24	16-Jun-24	30-June-25	16-June-25	N/A	N/A	Dated photos and attendance register
LED 03	89	Date of Annual Youth Summit Workshop held by 30 June 2025	30-Jun-24	9-May-24	30-June-25	21-June-25	N/A	N/A	Dated photos and attendance register
LED 04	90	Number of quarterly progress reports on jobs created submitted to EXCO by 30 June 2025	4	4	4	4	N/A	N/A	Quarterly progress reports of jobs created and EXCO agenda

LED 04	91	Number of EPWP participants on various EPWP programs (Zibambele) recruited and sustained by 30 June 2025	643	763	506	864	N/A	N/A	Reports
MTID 01	92	Date of adopting the reviewed organizational policies by council 30 June 2025	30-Jun-24	27-Jun-24	30-June-25	25-June-25	N/A	N/A	Council Resolution
MTID 02	93	Date of adopting the organizational structure aligned to the 2025/26 IDP and Budget by council by 31 May 2025	31-May-24	27-Jun-24	31-May-25	29-June-25	N/A	N/A	Council resolution
MTID 02	94	Number of quarterly local labor forum meetings to be held by 30 June 2025	4	4	4	5	N/A	N/A	Agenda, Minutes and Attendance Register

MTID 04	95	Date of advertising the 2024/25 Top layer SDBIP by 31 July 2024	31-July-23	31-July-23	31-July-24	20-June-25	N/A	N/A	Copy of Advert
MTID 04	96	Number of performance agreements to be signed by 31 July 2024	5	5	6	6	N/A	N/A	Copy of Performance Agreements
MTID 04	97	Number of Quarterly Organizational PMS Assessment Reports/ Tools submitted to Provincial COGTA and Council by 30 June 2025	4	4	4	4	N/A	N/A	Acknowledgement of receipt by Provincial COGTA
MTID 04	98	Date of submission of middle managers performance plans to senior managers by 31 August 2024	31-Aug-23	31-Aug-23	31-Aug-24	31-Aug-24	N/A	N/A	Manager's Performance Plan's

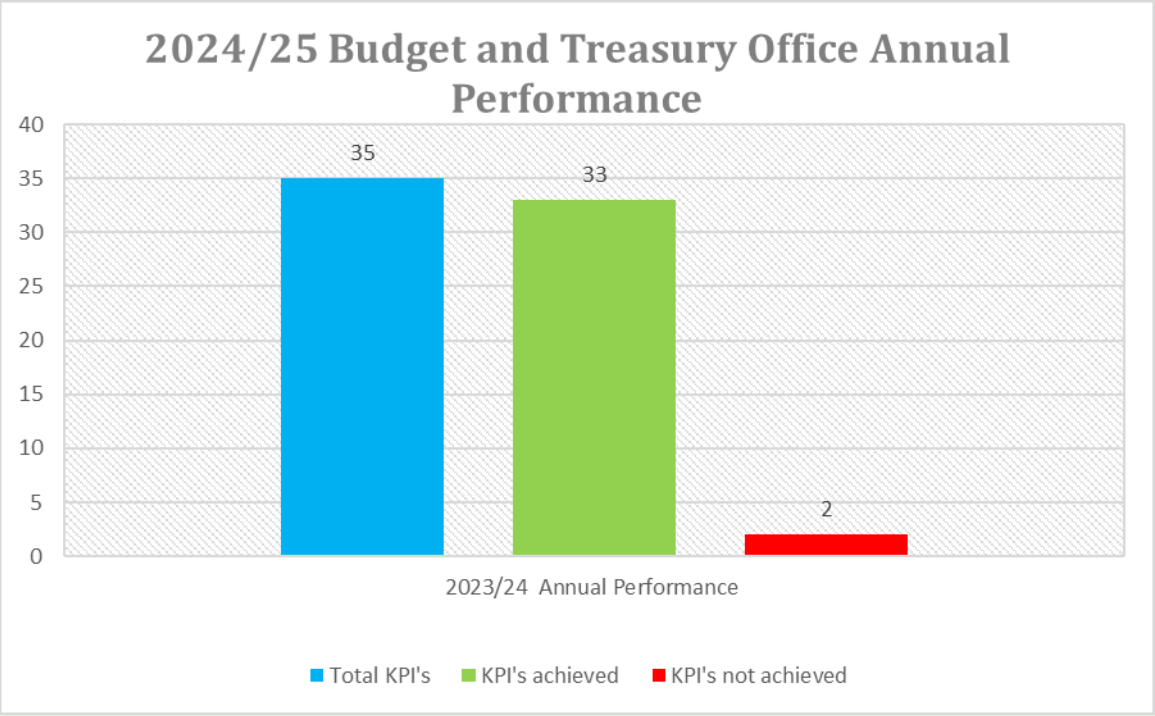
MTID 04	99	Number of monthly progress reports on implementation of performance plans by managers submitted to HOD by 30 June 2025	66	66	60	66	N/A	N/A	PMS monthly performance plans
MTID 04	100	Date of adopting the adjusted scorecards by 28 February 2025	28-Feb-24	28-Feb-24	28-Feb-25	24-Feb-25	N/A	N/A	Council Resolution
MTID 04	101	Date of 2025/26 SBDIP approval by Mayor by 30 June 2025	30-Jun-24	14-Jun-24	30-June-25	24-June-25	N/A	N/A	Signed SDBIP
MTID 04	102	Number of quarterly ICT Steering Committee meetings conducted by 30 June 2025	4	4	4	4	N/A	N/A	Agenda, Minutes and Attendance Registers

	Number of KPI's	Percentage of KPI's
Total KPI's	92	100%
KPI's achieved	81	88 %
KPI's not achieved	11	12 %

The Office of the Municipal Manager had a total of 92 KPI's in the 2023/24 financial year. 92 targets were achieved, whilst 11 targets were not achieved. This translates to an overall achievement of 88 % of the KPI's for Office of the Municipal Manager.

BUDGET AND TREASURY OFFICE

The Budget and Treasury Office is a municipal department that was established in terms of Chapter 9 of the Municipal Finance Management Act No. 56 of 2003 (MFMA). Its major role is to administer municipal funds, advise the accounting officer and other departments of their role in terms of this Act and to perform budgeting, accounting, analysis, financial reporting cash management, debt management, supply chain management, financial management, review, and other duties. Below are the graphs representing the performance of the Budget and Treasury Office in the 2024/25 and 2023/24 financial years.



	Number of KPI's	Percentage of KPI's
Total KPI's	35	100%
KPI's achieved	33	94%
KPI's not achieved	2	6%

The budget and treasury had the total of 35 KPI's. The department achieved 33 of the sets targets and 2 targets were not achieved. This translates to an overall achievement of 94% in this department for the 2024/25 Financial year.

IDP POE REF	KPI NO.	Key performance indicator 2023/24	2023/24		2024/25		REASON FOR VARIANCE	CORRECTIVE MEASURE	Portfolio of Evidence	Responsible person
			TARGET	ACTUAL	TARGET	ACTUAL				
MFVM 01	**1**	Number of monthly section 71 reports compiled and submitted to NT and FPC by 30 June 2025	12	12	12	12	N/A	N/A	Section 71 Reports	CFO

MFVM 01	**2**	Date of section 72 reports submitted to Council by 31 January 2025	31-Jan-24	31-Jan-24	31-Jan-25	30-Jan-25	N/A	N/A	Council Resolution	CFO
MFVM 01	**3**	Number of quarterly section 52 reports compiled and submitted to council by 30 June 2025	4	4	4	4	N/A	N/A	Council Resolution/ Section 52(d) Report	CFO
MFVM 01	**4**	Percentage of operational budget spent by 30 June 2025	100%	91%	100%	100%	N/A	N/A	Management account/ C Schedule	CFO
MFVM 02	**5**	Date of tabling 2024/25 adjustment budget to council for adoption by 28 February 2025	28-Feb-24	28-Feb-24	28-Feb-25	27-Feb-25	N/A	N/A	Council resolution/ Agenda	CFO

MFVM 04	**6**	Number of quarterly reports of unauthorized, irregular, fruitless, and wasteful expenditure (UIFW) registers submitted to FPC, MPAC, Council and EXCO by 30 June 2025	4	4	4	4	N/A	N/A	Copies of UIFW registers and proof of submission to FPC, MPAC, Council and EXCO	CFO
MFVM 01	**7**	Percentage spent quarterly on all Budget and treasury Office conditional grants as per terms and conditions by 30 June 2025	100%	100%	100%	100%	N/A	N/A	Grant Register and Management Account	CFO
MFVM 04	**8**	Percentage of invoices paid within 30 days from the receipt by creditors by 30 June 2025	100%	100%	100%	100%	N/A	N/A	Creditors age analysis	CFO
MFVM 04	**9**	Number of quarterly physical assets verification performed and update asset register by 30 June 2025	4	4	4	4	N/A	N/A	Report on physical assets verification and Asset Reconciliation.	CFO

MFVM 05	**10**	Date of approved indigent debtors billed with allocation of free basic services by 31 May 2025	31-May-24	27-Jun-24	31-May-25	25-June-25	N/A	N/A	Indigent register	CFO
MFVM 05	**11**	Percentage of quarterly debt collected by 30 June 2025	60%	76%	60%	76%	N/A	N/A	Circular 71 Uniform financial ratios and Norms	CFO
MFVM 06	**12**	Number of days taken to finalize procurement processes for tenders within R30 000- R300 000k by 30 June 2025	14 days	13days	14 days	11.5 days	N/A	N/A	Quotation register, purchase order	CFO

MFVM 06	**13**	Percentage of tenders (above 300k) awarded within 120 calendar days from the closing date of receiving tenders by 30 June 2025	100%	82%	100%	100%	N/A	N/A	Tender advert and Appointment letters and registers	CFO
MFVM 06	**14**	Number of contract register updated on a quarterly basis and submitted to Finance Portfolio Committee by 30 June 2025	4	4	4	4	N/A	N/A	Contract register	CFO
MFVM 01	**15**	Ratio of cash and cost coverage sustained quarterly as per norm by 30 June 2025	1:3 (months)	1:6 (months)	1:3 (Months)	1:4 (Months)	N/A	N/A	C-Schedule /Ratios	CFO
MFVM 01	**16**	Percentage of the treasury department capital Budget Spent by 30 June 2025	100%	86%	100%	83.2%	This is due to the stores capital items that were planned to be procured once project of extending the	This item will be prioritized during the next financial year (2025/26)	C- Schedule	

							workshop is completed, since the plan included the establishment of new stores offices, However, there were challenges with the completion of this project which resulted in the department being unable to procure the planned items.			
MFVM 01	**17**	Date of submission of 2025/26 Mscoa compliant budget to council for adoption by 31 May 2025	31-May-24	23-May-24	31-May-25	29-May-25	N/A	N/A	Council Resolution Budget Adjustment, Final Budget Adverts SDBIP	CFO
MFVM 01	**18**	Date of submission of GRAP compliant 2023/24 AFS to AG by 31 August 2024	31-Aug-23	31-Aug-23	31-Aug-24	31-Aug-24	N/A	N/A	Acknowledgement by AG	CFO

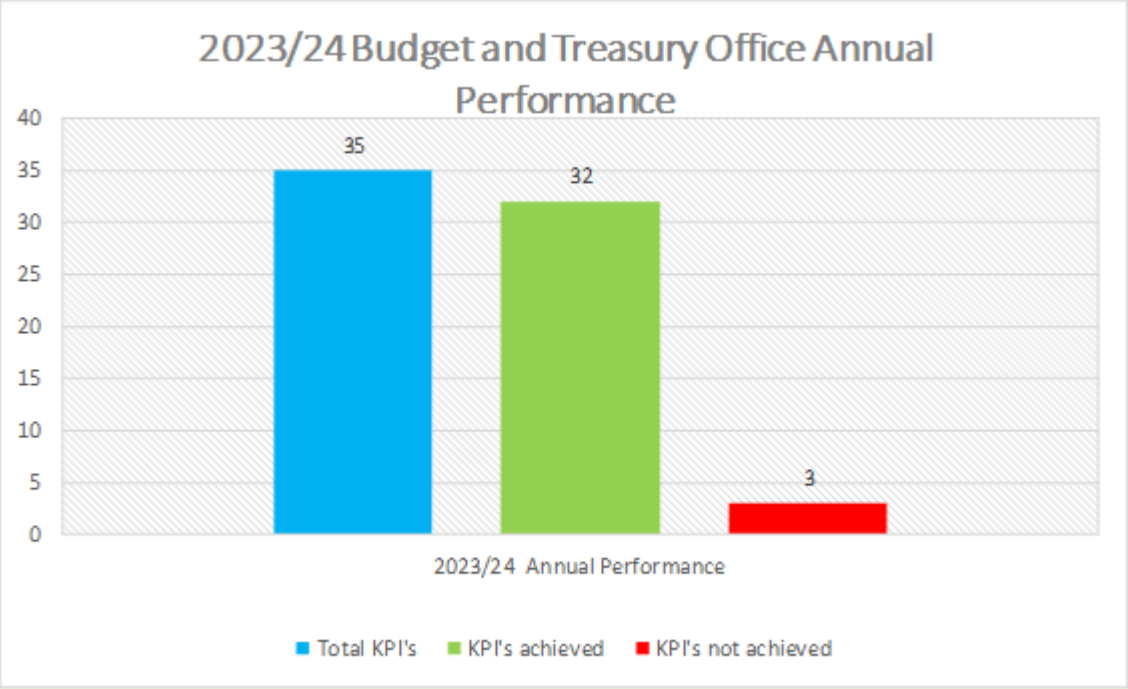
MFVM 06	**19**	Number of quarterly progress reports on implementation of 2024/25 procurement plans submitted to MANCO by 30 June 2025	4	4	4	4	N/A	N/A	Report on implementation of procurement plan	CFO
MFVM 02	**20**	Amount of quarterly of expenditure on overtime kept within allocated budget by 30 June 2025	R50,000	R11549	R100 000	R59531.78	N/A	N/A	Report from finance showing expenditure on overtime	CFO
GGPP 01	**21**	Number of quarterly audit and performance audit committee meetings attended HOD by 30 June 2025	4	4	4	4	N/A	N/A	Attendance Registers	CFO

GGPP 02	**22**	Number of quarterly reports for cluster war-rooms submitted to Office of the Municipal Manager by 30 June 2025	4	4	4	4	N/A	N/A	Acknowledgement letter by the OMM, and Cluster war-rooms reports.	CFO
GGPP 05	**23**	Date of adoption of the 2024/25 IDP, Budget and PMS Process Plan by council by 31 August 2024	31-Aug-23	31-Aug-23	31-Aug-24	30-Jul-24	N/A	N/A	Council Resolution	CFO
GGPP 05	**24**	Number of quarterly Performance reports submitted to Finance Portfolio Committee by 30 June 2025	4	4	4	4	N/A	N/A	Minutes of Finance Portfolio committee	CFO
GGPP 01	**25**	Number of monthly (July to November 2024 and February to June 2025) finance portfolio committee meetings held by 30 June 2025	10	10	10	10	N/A	N/A	Attendance registers of meetings	CFO

GGPP 06	**26**	Number of quarterly risk progress reports submitted to risk management unit by 30 June 2025	4	4	4	4	N/A	N/A	Quarterly risk report	CFO
GGPP 05	**27**	Number of Quarterly Risk management committee meetings attended by HOD by 30 June 2025	New Indicator		4	4	N/A	N/A	Attendance Register	CFO
GGPP 06	**28**	Percentage of AG queries in the AG Action Plan resolved by Management within the developed timeframe by 30 June 2025	100%	100%	100%	100%	N/A	N/A	AG action plan	CFO
GGPP 06	**29**	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2025	3 days'	3 days'	3 days’	3 days’	N/A	N/A	Acknoweledgement Letters	CFO

GGPP 06	**30**	Number of days for management to respond to request for information and Audit Queries raised by Auditor General by 31 December 2024	3 days	3 days	3 days'	3 days'	N/A	N/A	Tracking Tool	CFO
MTID 02	**31**	Date of submission of the departmental Organogram to Corporate Services Department for inclusion in the overall municipal organogram by 28 Feb 2025	28-Feb-24	28-Feb-24	28-Feb-25	27-Mar-25	N/A	N/A	Draft Organogram and Transmittal to CS/ Council resolution	CFO
MTID 01	**32**	Date of reviewed Budget Related Policies adopted by Council by 31 May 2025	31-May-24	23-May-24	31-May-25	29-May-25	N/A	N/A	Council Resolution	CFO
MTOD 04	**33**	Date of submission of managers performance plans to HOD's by 31 August 2024	31-Aug-23	31-Aug-23	31-Aug-24	31-Aug-24	N/A	N/A	Manager's Performance Plan's	CFO

MTID 04	**34**	Number of progress reports on implementation of performance plans by managers submitted to HOD's by 30 June 2025	36	36	36	32	Budget and Reporting Manager commenced her duties as from 03 February 2025	N/A	PMS monthly progress reports	CFO
LED 03	**35**	Percentage of procurement awarded to designated sectors i.e., youth, women and disabled by 30 June 2025	10%	49%	10%	85%	N/A	N/A	Analysis report of 45% of awards made to youth, women and disabled	CFO



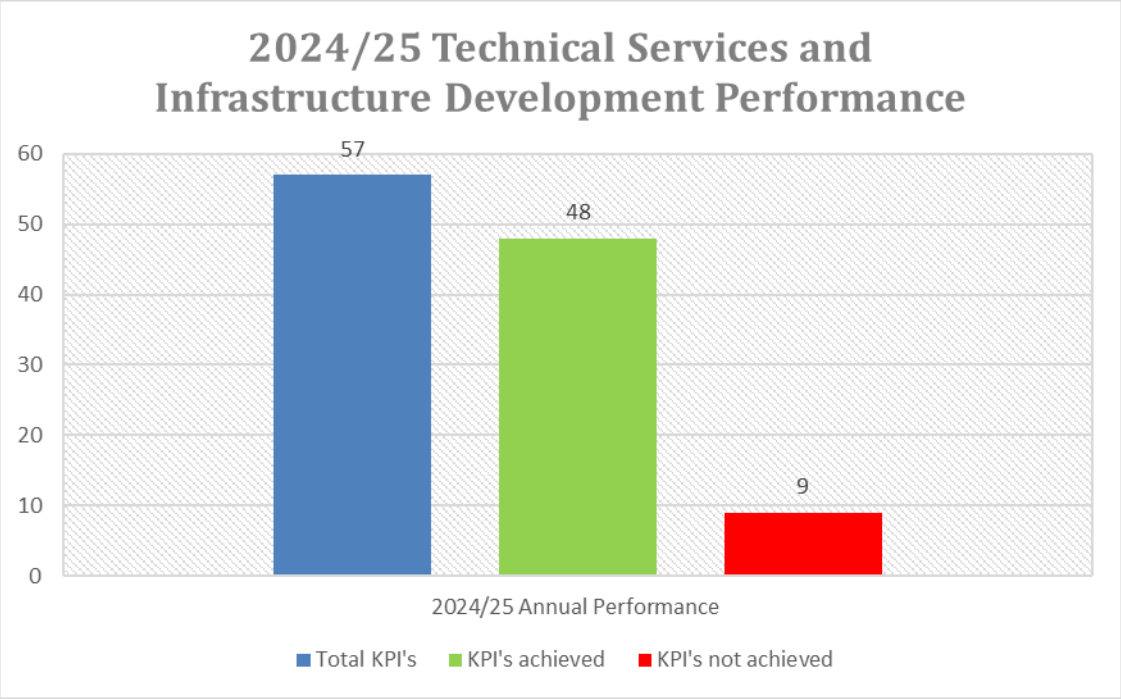
	Number of KPI's	Percentage of KPI's
Total KPI's	35	100%
KPI's achieved	32	91%
KPI's not achieved	3	9%

The budget and Treasury office had a total of 35 KPI's. The department achieved 32 of the set targets and 3 were not achieved. This translates to an achievement of 91% in this department for the 2023/24 Financial Year.

TECHNICAL SERVICES AND INFRASTRUCTURE DEVELOPMENT

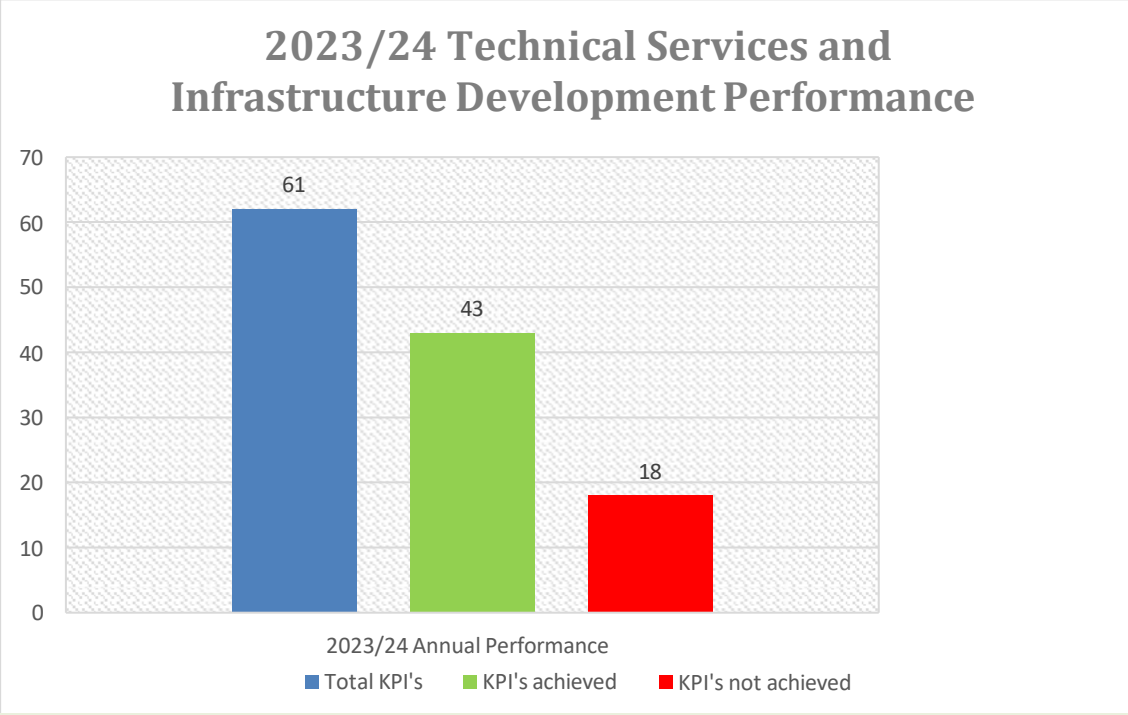
The Technical Services Department is primarily responsible for the maintenance, upgrade and provision of new municipal infrastructure assets and service delivery. It consists of the following divisions:

- Technical Administration/Planning and Projects (PMU).
- Roads and Storm Water Repairs and Maintenance.
- Municipal Buildings Repairs and Maintenance (Works).
- Electricity Distribution, Street Lighting, Installation and Mechanical Workshop. Below are the graphs representing the performance of the Technical Services and Infrastructure Development Department in the 2024/25 and 2023/24 financial years.



	Number of KPI's	Percentage of KPI's
Total KPI's	57	100%
KPI's achieved	48	84%
KPI's not achieved	9	16%

The Technical Services and Infrastructure Development department had a total of 57 KPI'S. 48 KPI's were achieved and 9 KPI's were not achieved. This translates to an overall achievement of 70% in this department during the 2024/25 financial year.



The Technical Services and Infrastructure Development department had a total of 61 KPI'S. 43 KPI's were achieved and 18 KPI's were not achieved. This translates to an overall achievement 73% in this department during the 2023/24 financial year.

	Number of KPI's	Percentage of KPI's
Total KPI's	61	100%
KPI's achieved	43	70%
KPI's not achieved	18	30%

IDP REF	KPI NO	Key performance indicator (KPI) 2024/25	2023/24		2024/25		Reason for variance	Corrective measure	Portfolio of Evidence	WARD
			Target	Actual	Target	Actual				
BSD 01	**1**	Date of completion of the Installation of Streetlights on P415 & P459 in Ward 3 by 31	30-Jun-24	Not Achieved	31-Dec-24	17-Dec-24	N/A	N/A	Practical completion certificate	3

		December 2024								
BSD 01	**2**	Date of completion of installation of Khenana high must lights in Mandeni, phase 2 in ward 10 by 31 December 2024	New Indicator		31-Dec-24	05-July-24	N/A	N/A	Practical completion certificate	10
BSD 02	**3**	Date of completing the Rehabilitation of 1.23kms of internal roads (Mthombeni, Mbabala, Umgakla & Sondeza internal Roads) and Upgrade of Associated stormwater in	30-June-24	Not Achieved	30-Jun-25	27-Jun-25	N/A	N/A	Practical completion certificate	13

		sundumbili, ward 13 phase 1 (Finalizing of remaining 50% scope of work) by 30 June 2025								
BSD 02	**4**	Date of completing the rehabilitation of 1.6kms of internal roads (Rehabilitation of phumla, Indumiso and Malandela internal Roads) and upgrade of associated stormwater in sundumbili, ward 13 phase 2 & ward 14 white city section by 31 December 2024	30-June-24	Not Achieved	31-Dec-24	31-Dec-24	N/A	N/A		14
BSD 02	**5**	Percentage of completion of Upgrade of	New Indicator		40%	45%	N/A	N/A	Progress report by Consulting	10&12

		1.5kms Machibini Link Road in Wards 10 & 12, by 30 June 2025						engineers	
BSD 02	**6**	Percentage of completion of rehabilitation of 0.99km Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase 1, by 30 June 2025	New Indicator	100%	71%	Q1: N/A Q2: project is at 49% completion. Project delayed due to adverse weather conditions that did not allow for construction works to proceed and delays with finalization of sub-contracts (GPG). Q3: Poor performance of contractor.	Q1: N/A Q2: Approval of extension of time without cost and timely finalization of sub-contracts. Q3: Constant monitoring of contract performance through monthly technical site meetings and submission of monthly contractor and consultant	Progress report by Consulting Engineers and Practical completion Certificate	13,14& 15

						Adverse weather conditions delaying progress on site Poor performance of contractor. Q4: Adverse weather conditions delaying progress on site.	performance assessment forms. Approval of extension of time without cost. Issuing of notices of default for poor performance. Q4: Approval of extension of time without cost.		
BSD 02	**7**	Percentage of completion of 250m Extension of Kingfisher Road in ward 3 by 30 June 2025	New Indicator	100%	100%	N/A	N//A	Progress report by Consulting Engineers and Practical completion Certificate	3

BSD 02	**8**	Percentage of completion of rehabilitation of 420m Masilela road in ward 14 by 30 June 2025	New Indicator	100%	100%	N/A	N/A	Progress report by Consulting Engineers and Practical completion Certificate	14
BSD 02	**9**	Percentage of completion of regravelling of 750m Links Road Masomonce bus route and enembe/isithebe link road in ward 13 by 31 March 2025	Removed due to budget reprioritization.						

BSD 02	**10**	Percentage of practical completion for the construction of a sports field and combo court in Hlomendlini, Ward 4 by 30 June 2025	New Indicator	100%	35%	Q1: The department could not start procurement processes on time due to the challenge of receipt of relevant documentation from the terminated consultant. The above information was required to finalize the completion of the project. Information was requested on the 25th of April 2024 and only received by the 20th of June 2024 Q2: Contractor appointed on the 12th of December. Project technical handover meeting and launch of project conducted on the 15th of January 2025.Access site was issued on the 29th of January 2025	Q1: Finalization of preliminary report and bid document. Q2: constant monitoring of contractor's performance through monthly technical meetings and performance assessment forms.	Appointment letter, progress report and Completion Certificate	4

						Q3: project is at 20% completion. project delayed due to adverse weather conditions experience in the month of march affecting 17 days, that did not allow for construction works to proceed. Q4: Project is at 35% completion. project delayed due to adverse weather conditions experience between the month of April and May affecting 16 days, that did not allow for construction works to proceed. Poor performance of contractor.	Q3: Approval of extension of time (EOT) without cost. Q4: Approval of extension of time (EOT) and issuing of notice of default.		

BSD 02	**11**	Percentage of completion of the extension of Mechanical phase 2 in ward 3 by 30 June 2025	New Indicator	25%	0%	Q1: Development of project concept for the project. Q2: Draft inception and preliminary design report was completed and submitted for review. Based on the submission, the required budget estimate was greater than available budget hence the department could not proceed. Q3: Finalized scoping and cost estimate of the project on the 17th of March 2025 and draft tender document submitted for review the 25 March 2025. Q4: Tender document submitted for BSC consideration on the	Q1: Finalization of project concept in preparation of incept report. Q2: Review the scope of work to align it with the available budget. Submission of revised cost estimate and draft tender document. Q3: Submission of tender document for procurement of service provider. Q4: Finalization of contractor's appointment and provision of budget	Appointment letter, progress report by consulting engineer.	3

						7th of April 2025. Initial advert closed on the 12th of May 2025. Bid had to be cancelled due to CIDB grading required for the bis and readvertised. The bid closed on the 23rd of June 2025. Bid was cancelled because the responsive bidder’s tender price was above the budgeted amount.	for the outer year. this project will be multiyear project. Provision of budgeting for the project in the outer years.		

BSD 02	**12**	Percentage of completion of cemetery development, fencing and construction of the guard house in ward 4 by 30 June 2025	New indicator	100%	0%	Q1: Delays by the department to finalize and submit the bid document to SCM unit due to oversight. Q2: project at procurement stage. bid closed on the 27th of December. Q3: bid had to be readvertised. after closing of bid, the intention of award has been issued. Q4: project was awarded on the 15th of April however could not continue due to community disruption that occurred and gave rise to stoppage of project.	Q1: The department will submit finalize and submit bid documents to SCM unit on time in line with the approved departmental procurement plan. Q2: Appointment of contractor to be finalized before the end of January 2025. Q3: finalization of appointment of contractor. Q4: scheduling of public meeting to address concerns and reprioritization of project.	Appointment letter, progress report and Practical Completion Certificate	4

BSD 02	**13**	Number of m^2 of potholes repaired and maintained (2700m2) in ward 2,3,4,7,10,12,13, 14 & 15 by 30 June 2025	2700m²	4107,7m²	2700m²	3834.47m²	N/A	N/A	Measurement report	2,3,4,7,10,12, 13,14, 15.

BSD 02	**14**	Number of metres of guard rails (250m) to be installed in wards 11, 13, 14 and 15 by 30 June 2025	300m	150m	250m	150m	Q2: Delays by SCM unit to process the requisition submitted by the department. The requisition was initiated on 1 August 2024. a quarter before it was due. Q3: There was a delay in the procurement process. Q4: The Requisition was sent to SCM on 01/08/2024. A Purchase Order was never received by Civil, Operations & Maintenance unit.	Q2: The request will be initiated much earlier than the current done. it will be done in July. Q3: The requisition request will be submitted early to prevent any delays from SCM. Q4: Requisitions must be submitted to the SCM department early, that is, during the previous quarter. This will provide them with sufficient time to conduct their processes.	Progress report and Completion Certificate	11,13, 14&15

BSD 02	**15**	Number of metres of kerbs and concrete channel (250m) to be constructed in wards 2,3 and 12 by 30 June 2025	200m	250m	250m	250m	N/A	N/A	Progress report Completion Certificate	2,3&12
BSD 02	**16**	Number of kilometres of gravel roads (320) maintained in-house in ward 1,2,4,5,6,7,8,9,10,11,12 16,17 and 18 by 30 June 2025	300 km	312.05 km	320 km	333.2 km	N/A.	N/A	Measurement Reports	1,2,4,5,6,7,8,9,10,11,12,16,17,18.
BSD 02	**17**	Number of speed humps (25) to be constructed in ward 3,7,13,14 and 15 by 30 June 2025	25	26	25	25	N/A	N/A	Completion Certificate	3,7,13,14,15.

BSD 02	**18**	Number of Road signs (30) to be installed in ward 3,4,7,13,14 and 15 by 30 June 2025.	30	30	30	30	N/A	N/A.	Progress report and Completion Certificate	3,4,7,13,14,15.
BSD 02	**18a**	Percentage of completion of painting of 15km of road markings to completed in ward 3,4,7,13,14 & 15 by 30 June 2025	100%	100%	100%	100%	N/A	N/A.	Progress report and Completion Certificate	3,4,7,13,14,15.
BSD 02	**19**	Percentage of 1km road regravelling at KwaNgcobo leading to KwaMwandla Ward 11 to	New Indicator		100%	100%	N/A	N/A	Progress report and Completion Certificate	11

		practical completion by 31 March 2025							
BSD 02	**20**	Percentage of 1km road regravelling from Kwamjulelwa leading to eziMpohlweni Ward 15 to practical completion by 31-March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and Completion Certificate	15
BSD 02	**21**	Percentage of 1km road regravelling from KwaMathonsi estobini leading to KwaMthembu estobhini Ward 16 to practical completion by 31 March 2025	New indicator	100%	100%	N/A	N/A	Progress report and Completion Certificate	16

BSD 02	**22**	Percentage of 1km road regravelling from Ezimangweni leading to Okhalweni Ward 17 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and Completion Certificate	17
BSD 02	**23**	Percentage of 1km road regravelling from Sithebe library leading to Othini area Ward 18 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and Completion Certificate	18
BSD 02	**24**	Percentage of 1km road regravelling of Dabedabe Road in Ward 10 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and Completion Certificate	10

BSD 02	**25**	Percentage of 1km road regravelling of Maqina road at Ward 8 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and Completion Certificate	8
BSD 02	**26**	Percentage of 1km road regravelling from road D888 leading to KwaMnguni store in Ward 1 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and Completion Certificate	1

BSD 02	**27**	Percentage of 1km road regravelling from Esamaqamu road leading to Mgizimba in Ward 5 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and Completion Certificate	5
BSD 02	**28**	Percentage of 1km road regravelling of Machibini Link Road at Ward 12 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and Completion Certificate	12

BSD 02	**29**	Percentage of 1km regravelling of Masinga road in Ward 4 to prectical completion by 31 March 2025	New indicator	100%	100%	N/A	N/A	Progress report and Completion Certificate	4
BSD 02	**30**	Percentage of 1km road regravelling from Carwash P415 to N2 tunnel bridge in Ward 3 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and Completion Certificate	3
BSD 02	**31**	Percentage of 1km road regravelling from ward 7 Phase 2	New Indicator	100%	100%	N/A	N/A	Progress report and Completion Certificate	7

		to Hlanzeni to practical completion by 31 March 2025							
BSD 02	**32**	Percentage of 1km road regravelling from Esikhoveni leading to Nyathini in ward 9 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	Progress report and Completion Certificate	9
BSD 02	**33**	Percentage of completion of mandeni intersection 2 in ward 7 to practical completion by 31 March 2025	New Indicator	100%	100%	N/A	N/A	appointment letter, progress report and completion certificate	7

BSD 02	**34**	Percentage of completion of planning of construction of new office block in ward 3 to practical completion by 30 June 2025	New indicator	100%	0%	Midterm: Q1: N/A Q2: N/A Q3: N/A Q4: Bid closed on the 2nd of June 2025. in process of evaluating and adjudication of tender.	Mid-Term: Q1 : N/A Q2: N/A Q3: N/A Q4: Appointment of contractor	appointment letter, progress report and completion certificate	3
BSD 02	**35**	Percentage of completion of delivery, installation, and connection of water tanks for municipal offices in ward 3 by 31 December 2024.	New Indicator	100%	100%	N/A	N/A	Progress report and practical completion certificate	3

BSD 02	**36**	Date of completion of final design of pedestrian bridges in ward 10, 16 and 17 by 30 June 2025	New Indicator	30-June-25	Not Achieved	The department delayed in sending the request for appointment of consultants due to oversight. Regrettably the request was only sent in Quarter 4 (11 April 2025) and appointment received in the same quarter (2 June 2025).	The department will send request for appointment of consultants early, i.e. Quarter 2 for procurement processes to unfold and avoid delays. Follow ups to be timeously made with SCM.	Final design report	10,16& 17
BSD 02	**37**	Percentage of completion of Khenana Sport field and Combo Court in ward 10 by 30 June 2025	New Indicator	40%	41%	N/A	N/A	Progress report consulting engineer	10
BSD 02	**38**	Date of completion of the Construction of the Mechanical Workshop and Office Block in ward 3 by 31	New Indicator	31-March-25	Not Achieved	Progress delayed due to poor performance of contractor.	imposing of penalties and termination of contract	Practical completion certificate	3

		March 2025								
MFV M 02	**39**	Amount of overtime expenditure kept within allocated budget on a quartely basis by 30 June 2025	R430 000	R812 692,79	R584,990 .00	R1118438 .15	1. Inclement weather conditions 2. Breakdown of plant and trucks resulting in more work required to be done with plant and trucks in operation for re-gravelling of roads 3. Stormwater blockages as a result of siltage, illegal dumping resulting in waste blocking the drains and streams 4. High number of special requests by councillors for re-gravelling of roads in cases of funerals and other matters 5. Regular electrical	1. Natural phenomenon as a result of climate change 2. Regular maintenance of plant and equipment, regular training of operator and drivers 3. Stormwater management is in place and will be utilized to prioritize areas of concern in terms of maintenance 4. Number of Special requests per week to be reduced 5. Electrical section is working with law enforcement and		N/A

							faults caused by cable theft 6. Poorly coordinated events outside working hours requiring overtime.	security companies to combat theft. Also, areas of concern will be better monitored. 6. Event organizers must inform the department in advance to avoid unnecessary overtime. MANCO has resolved that event organizer must inform all relevant departments 3 days prior event taking place.		
MFV M 06	**40**	Date of completing the draft Departmental Budget estimate document and submission to corporate service department by 31 March 2025	31-Mar-24	05-Mar-24	31-Mar-25	31-Mar-25	N/A	N/A	Draft budget estimate document	N/A

MFV M 04	**41**	Percentage of expenditure on INEP funding by 30 June 2025	100%	100%	100%	100%	N/A	N/A.	Signed Report of Expenditure by the Department	N/A
MFV M 01	**42**	Percentage of operational budget spent by 30 June 2025	100%	97%	100%	94%	N/A	N/A	Management account	N/A
MFV M 04	**43**	Percentage of expenditure on MIG funding by 30 June 2025	100%	89%	100%	100%	N/A	N/A	MIG Certificate of Expenditure and revenue	N/A
GGP P 01	**44**	Number of quarterly audit and performance committee meetings attended by HOD by 30 June 2025	4	4	4	4	N/A	N/A	Attendance registers	N/A

GGP P 02	**45**	Number of quarterly cluster war-rooms reports submitted to Office of the Municipal Manager by 30 June 2025	2	0	4	4	N/A	N/A	Cluster war-room report and Acknowledgement letter	N/A
GGP P 05	**46**	Number of quarterly Performance reports submitted to Technical Services and Infrastructure Development Portfolio Committee by 30 June 2025	4	4	4	4	N/A	N/A	Minutes of TSID Portfolio committee	N/A
GGP P 05	**47**	Number of monthly (July to November 2024 and February to June 2025) Technical services and infrastructure development	10	9	10	10	N/A	N/A	Attendance registers and Minutes of TSID Portfolio committee	N/A

		portfolio committee meetings held by 30 June 2025								
GGP P 06	**48**	Number of quarterly Risk management committee meetings attended by HOD by 30 June 2025	New Indicator		4	4	N/A	N/A	Attendance register	N/A
GGP P 06	**49**	Number of quarterly risk progress reports submitted to risk management unit by 30 June 2025	4	4	4	4	N/A	N/A	Quarterly risk mitigation progress reports	N/A

GGP P 06	**50**	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2025	3 days'	3 days'	3 days’	3 days’	N/A	N/A	Acknoweled gement Letter	N/A
GGP P 06	**51**	Number of days for management to respond to request for information and Audit Queries raised by Auditor General by 31 December 2024	3 days'	3 days'	3 days’	3 days’	N/A	N/A	Acknoweled gement Letter	N/A
MTI D 02	**52**	Date of submission of the departmental Organogram to Corporate Services Department for inclusion in the overall municipal organogram by 28 Feb 2025	28-Feb-24	04-Mar-24	28-Feb-25	21-Jan-25	N/A	N/A	Draft Organogram and Transmittal to CS/ Council resolution	N/A

MTI D 06	**53**	Percentage of new vehicles fitted with tracking devices within 30 days after delivery by 31 March 2025	100%	100%	100%	100%	N/A	N/A	Monthly invoices and Tracker certificate	N/A
MTI D 06	**54**	Number of Municipal Plant and Equipment Serviced by 30 June 2025	9	9	28	34	N/A	N/A	Job Cards signed by Mechanic/ External service provider.	N/A
MTI D 06	**55**	Number of Municipal Truck's COF serviced by 30 June 2025	17	11	20	19	1 truck was sold and is no longer part of municipal asset.	N/A	COF Certificate with Job Card	N/A
MTI D 04	**56**	Date of submission of manager's performance plan to HOD by	31-Aug-23	31-Aug-23	31-Aug-24	31-Aug-24	N/A	N/A	Signed Manager's Performance Plan	N/A

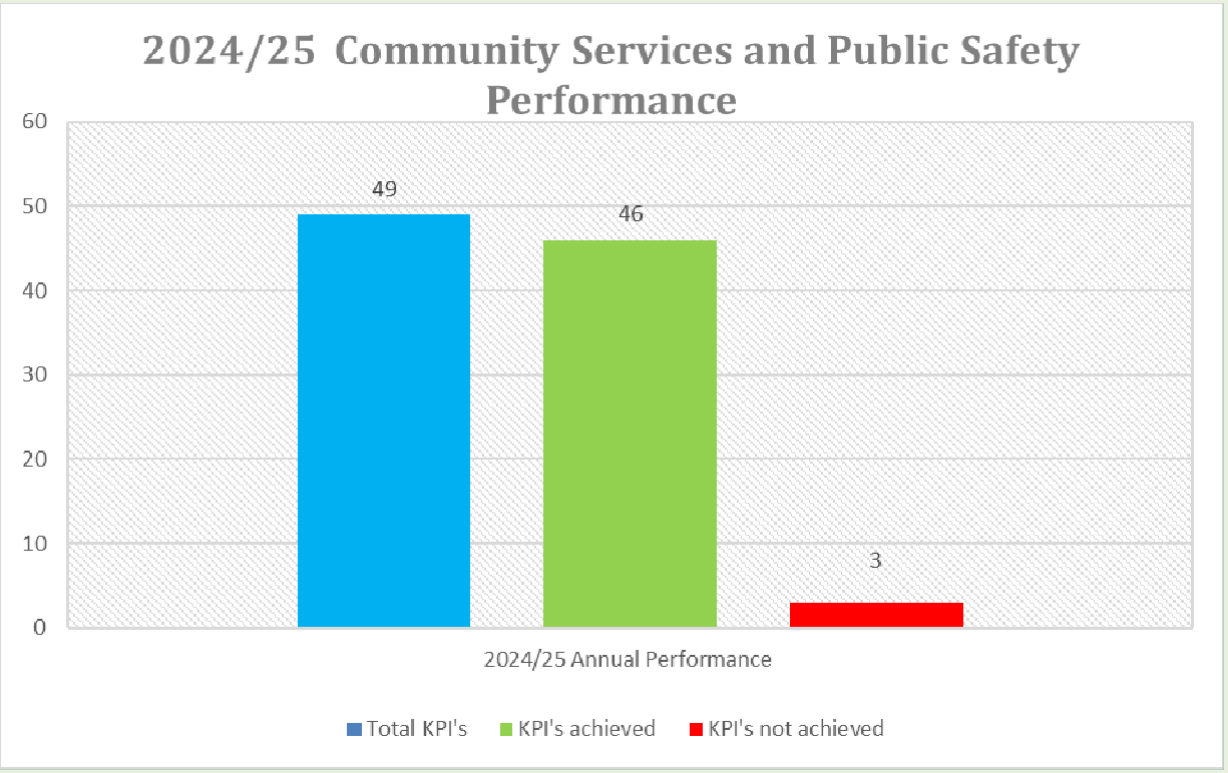
		31 August 2024								
MTID 04	**57**	Number of monthly progress reports on implementation of performance plans by managers submitted to HOD's by 30 June 2025	20	20	24	24	N/A	N/A	Monthly performance report	N/A
LED 04	**58**	Number jobs created through infrastructure capital project by 30 June 2025	New Indicator		350	994	N/A	N/A	Progress Report	N/A

COMMUNITY SERVICES AND PUBLIC SAFETY

The community Services Department is primarily responsible for the social wellbeing of the community. It comprises the following sections:

- Library Services.
- Parks, Verges and Gardens Community Facilities; Community Development.
- Public Safety
- Fire and Rescue Services and Disaster Management.
- Security Services.
- Cemeteries & Crematoria.
- Waste Management.

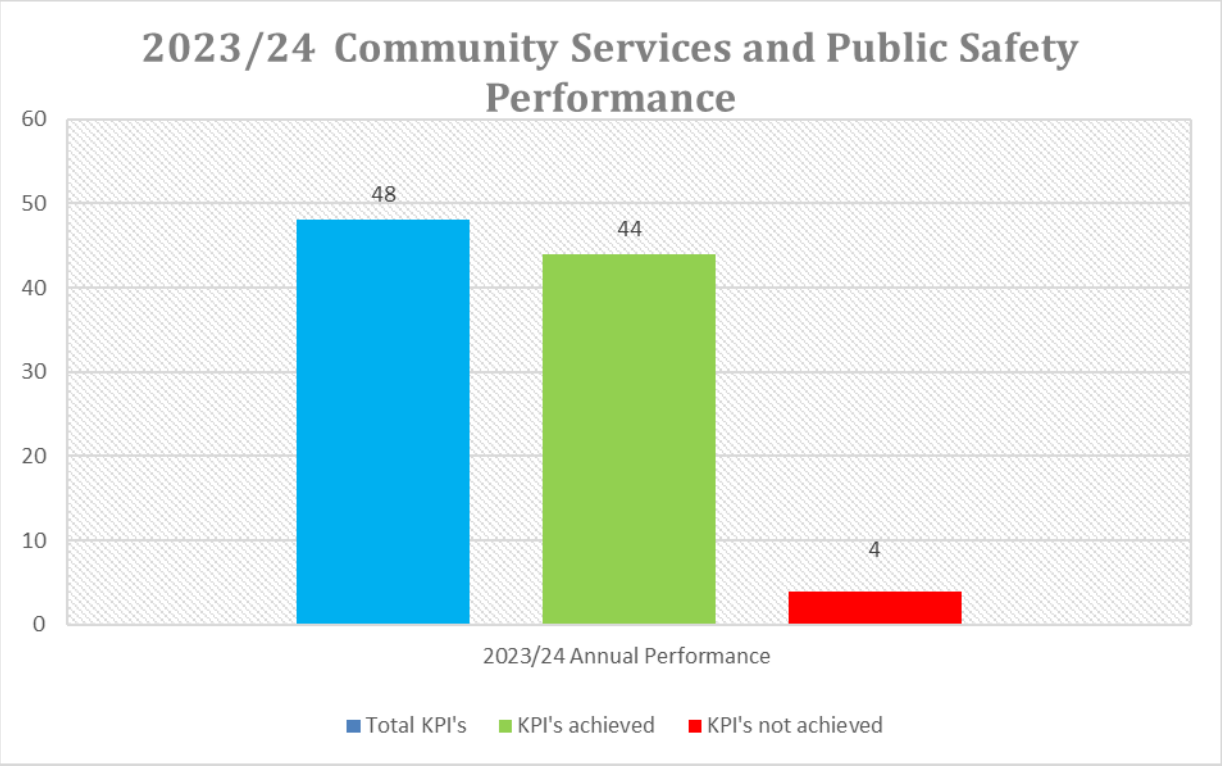
Below are the graphs representing the performance of the Community Services and Public Safety Department during the 2023/24 and 2022/23 financial years.



	Number of KPI's	Percentage of KPI's
Total KPI's	49	100%
KPI's achieved	46	94%

KPI’s not achieved	3	6%

The Community Services and Public Safety Department had a total of 49 KPI’s. 46 KPI’s were achieved whilst 03 KPI’s were not achieved. This translates to an overall achievement of 76% in this department during 2024/25 Financial Year.



	Number of KPI's	Percentage of KPI's
Total KPI's	48	100%
KPI's achieved	44	92%
KPI's not achieved	4	8%

The Community Services and Public Safety Department had a total of 48 KPI's. 44 KPI's were achieved, whilst 4 KPI's were not achieved. This translates to an overall achievement of 86 % in this department for 2023/24 Financial year.

IDP/POE REF	KPI NO	Key performance indicator (KPI's) 2024/25	2023/24		2024/25		Reason for Variance	Challenges / Corrective Measures	Portfolio of Evidence	Ward
			Target	Actual	Target	Actual				
BSD 04	**1**	Number of times waste collected weekly at Tugela Mouth Beach, Tugela Mouth Village North bound, Renckens, Dark city, Qhib'khowe, Bhidla, Gcaleka, Thokoza, Majuba and households from sondoni traffic robot to sibusisiwe CH (wards 2, 7 & 15) by June 2025(MONDAYS)	52	52	53	53	N/A	N/A	Waste collection plan and register	2,7 & 15

BSD 04	**2**	Number of times waste collected weekly at Renckens, Ireland, White City, Red Hill,Chappies and Sikhalambazo (wards 7, 13 & 14) by 30 June 2025(TUESDAYS)	52	52	52	52	N/A	N/A	Waste collection plan and register	7, 13 & 14

BSD 04	**3**	Number of times waste collected weekly at Mandeni and Sappi Village, Renckens and Khenan Area (wards 3, 7 & 10) by 30 June 2025(WEDNESDAYS)	52	52	52	52	N/A	N/A	Waste collection plan and register	3, 7 & 10
BSD 04	**4**	Number of times waste collected weekly at Tugela, Tugela Mouth Village, South Bound, Newark, New Town, Padianagar, Ematankeni, Ehholo, Ebhokisini, Skhephekhepheni, Ezinsimbini, Nova Farm and renckens (wards 4 & 7) by 30 June 2025(THURSDAYS)	52	52	52	52	N/A	N/A	Waste collection plan and register	4 & 7

BSD 04	**5**	Number of times waste collected weekly at Businesses, Skips, Ndulinde Library, Ndulinde Clinic and Renckens (and out-call requests) (1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12,16, 17 & 18) by 30 June 2025(FRIDAYS)	52	52	52	52	N/A	N/A	Waste collection plan and register	1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12,16, 17 & 18
BSD 04	**6**	Number of m² of monthly grass-cutting performed in all Wards (Ward 1-18) by 30 June 2025	7 100458 m²	9780759 m²	7100458 m²	7876521 m²	N/A	N/A	Grass cutting schedules/registers/ invoices	All ward
BSD 05	**7**	Date of delivery of (30) Skip bins in various wards (Ward 1,2,3,4,5,6,7,8,9,10,11,12,15,16,17&18) by 31 December 2024	New Indicator		31-Dec-24	31-Mar-25	N/A	N/A	Delivery note	All ward

BSD 05	**8**	Date of delivery of recycling equipment by 30 September 2024	30-Jun-2024	Not Achieved	30-Sept-24	19-Feb-25	N/A	N/A	Delivery Note	N/A
BSD 05	**9**	Date of delivery of (110) wheelie bins by 31 December 2024	31-Mar-24	16-Feb-24	31-Dec-24	04-Oct-24	N/A	N/A	Delivery Note	N/A
BSD 05	**10**	Date of Arbor month Celebration by all wards by 30 September 2024	30-Sep-23	12-Sep-23	30-Sept-24	11-Sept-24	N/A	N/A	Dated photos and attendance register	All Wards
BSD 05	**11**	Date of completion of Phase 1 Sundumbili entrance beautification in ward 15 by 30 June 2025	New Indicator		30-June-2025	29-Oct-24	N/A	N/A	Completion Certificate	Ward 15

BSD 05	**12**	Date of Completion of lifeguard's houses designs and building plans for Dokodweni, Tugela and Mbizimbelwe Beaches by 30 June 2025	New Indicator		30-June-25	30-June-25	N/A	N/A	Approved building plan and designs	Ward 1
BSD 05	**13**	Number of monthly environmental educational awareness campaigns conducted by 30 June 2025	12	15	12	12	N/A	N/A	Dated photo and attendant Register	All wards 18
BSD 05	**14**	Number of monthly clean-up campaign conducted by 30 June 2025	16	21	16	17	N/A	N/A	Dated photos and attendance register	All Wards

MFVM 01	**15**	Percentage of operational budget spent by 30 June 2025	100%	102%	100%	111.74%	Insourcing of Fire service had an impact on increasing of operational budget	N/A	Management account	N/A
MFVM 02	**16**	Amount of overtime expenditure kept within the allocated budget on a quarterly basis by 30 June 2025	R804453.00	R2045616.52	R1,190,020.00	R2398771.87	Insourcing of fire services has impact as there are new departmental employees appointed who were not cater for. Unplanned overtime due to events and special	Strict enforcement of pre-authorization of all planned overtime. Introduction of four (4) shift consisting of a staff complement of a total	Report from finance showing expenditure on overtime	

							request by community contributed to overspending.	of 24 fire fighters.		
MFVM 04	**17**	Percentage of EPWP conditional grant spent by 30 June 2025	100%	100%	100%	100%	N/A	N/A	Expenditure report from BTO	N/A
MFVM 04	**18**	Percentage of Library (DSAC) conditional grant spent by 30 June 2025	100%	79%	100%	100%	N/A	N/A	Expenditure report from BTO	N/A

MFVM 05	**19**	Amount of Revenue collected on services provided by CSPSD by 30 June 2025	R107,000	R3 679,206.10	R3,000,000	R5542738.22	N/A	N/A	Ledge Spread Sheet from Finance	N/A
MFVM 06	**20**	Date of delivery of (8) Security Guardhouses for municipal facilities by 31 March 2025	New indicator		31-Mar-25	08-Jan-25	N/A	N/A	Delivery Note	N/A
MFVM 06	**21**	Date of delivery and installation of Solar energy panels with invertors for DLTC by 30 June 2025	New Indicator		30-June-25	Not Achieved	The installation of solar energy system of New DLTC is on final stage of tender process	The process will be FastTrack, since it is in the final stage	Delivery Note	N/A

MFVM 06	**22**	Date of delivery of (15) Two-way radios for Traffic Officers 30 June 2025	New Indicator		30-June-25	25-June-25	N/A	N/A	Delivery Note	N/A
MFVM 06	**23**	Date of delivery of (7) Brush-Cutters by 30 September 2024	30-Sep-23	29-Sep-23	30-Sept-24	30-Sept-24	N/A	N/A	Copy of delivery note	N/A
MFVM 06	**24**	Date of delivery of (2) Vehicles for Emergency Services and Disaster Management Section by 31 March 2025	New Indicator		31-Mar-25	09-June-25	N/A	N/A	Delivery Note	N/A

MFVM 06	**25**	Date of delivery of (1) Public Amenities vehicle Section by 31 March 2025	New Indicator	31-Mar-25	01-Oct-24	N/A	N/A	Delivery Note	N/A
MFVM 06	**26**	Date of delivery of (10) new library computers by 31 March 2025	New Indicator	31-Mar-25	24-Jan-25	N/A	N/A	Delivery Note	N/A
MFMV 05	**27**	Date of delivery of and installation of mobile library solar generator by 30 June 2025	New Indicator	30-June-25	04-Apr-25	N/A	N/A	Delivery Note	N/A

GGPP 01	**28**	Number of quarterly Audit and Performance Audit committee meetings Head of Department attended by 30 June 2025	4	4	4	2	The previous term of the Performance & Audit Committee ended on the 31st of March 2025, - The new Performance and Audit Committee was initially advertised in February 2025; however, no suitable candidates were found during shortlisting process. - The Performance and Audit Committee had to be re-advertised in March 2025 which caused the delays. -	The CAE will ensure that the process to appoint the new members of the Performance and Audit Committee is initiated six (6) months prior expiry of the existing term of the committee to accommodate possible unexpected delays.	Attendance Register	N/A

							The council approved the appointment of recommended members of Performance and Audit Committee on the 29th of May 2025; however Council rejected the proposed remuneration – hence the appointment process could not be finalized. - Management had to go back and benchmark with municipalities within iLembe District municipality with regards to the			

							remuneration paid. - The proposed remuneration was only approved by Council on the 25th of June 2025			
GGPP02	**29**	Number of quarterly cluster war-room reports submitted to OMM by 30 June 2025	4	4	4	4	N/A	N/A	Acknowledgement letters	N/A
GGPP 03	**30**	Number of monthly fire awareness campaigns held by 30 June 2025	12	12	12	19	N/A	N/A	Dated photos and attendance register	N/A

GGPP 03	**31**	Number of monthly disaster awareness campaigns held by 30 June 2025	12	14	12	21	N/A	N/A	Dated photos and attendance registers	All Wards
GGPP 03	**32**	Number of Tri-annual Road Safety Awareness campaign (Transport month, festive and Easter) conducted by 30 June 2025	3	3	3	3	N/A	N/A	Dated Photos, Attendance registers and checklist.	N/A
GGPP0 3	**33**	Number of bi-monthly roadblocks conducted by 30 June 2025	24	26	24	28	N/A	N/A	Attendance register and stop and checklist	N/A

GGPP03	**34**	Number of seasonal Firebreaks conducted by 30 June 2025	4	4	4	5	N/A	N/A	Dated photos and attendance registers	5,6,8 & 16
GGPP 03	**35**	Number of monthly library outreach programs conducted by 30 June 2025	12	23	12	14	N/A	N/A	Dated photos, attendance registers and program of the day.	N/A
GGPP 03	**36**	Number of bi-annual Public Safety awareness campaigns conducted by 30 June 2025	2	2	2	2	N/A	N/A	Dated photos and attendance registers.	N/A

GGPP 05	**37**	Number of monthly (July to November 2024) and February to June 2025) Community Services and Public Safety Portfolio Committee meetings held by 30 June 2025	10	10	10	10	N/A	N/A	Report of meeting	N/A
GGPP 05	**38**	Number of quarterly Performance reports submitted to Community Services Portfolio Committee by 30 June 2025	4	4	4	4	N/A	N/A	Minutes of CSPS Portfolio Committee	N/A
GGPP 05	**39**	Number of quarterly Disaster Advisory forum meetings held by 30 June 2025	4	4	4	4	N/A	N/A	Agenda, Minutes and Attendance register	N/A

GGPP 06	**40**	Number of quarterly Risk management committee meetings attended by HOD by 30 June 2025	New Indicator		4	4	N/A	N/A	Attendance Register	N/A
GGPP 06	**41**	Number of quarterly risk progress reports submitted to risk management unit by 30 June 2025	4	4	4	4	N/A	N/A	Quarterly Risk reports	N/A
GGPP 06	**42**	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2025	3 days	3 days	3 days'	3 days'	N/A	N/A	Acknowledgement letter	N/A

GGPP 06	**43**	Number of days for management to respond to request for information and Audit Queries raised by Auditor General by 31 December 2024	3 days	3 days	3 days'	3 days'	N/A	N/A	Tracking Tool	N/A
LED 03	**44**	Number of EPWP participants on various EPWP programs (Zibambele) recruited and sustained by 30 September 2024	250	250	156	156	N/A	N/A	List of EPWP participants and Appointment contracts.	N/A
LED 05	**45**	Number of Quarterly reports on implementation of EPWP (CWP & Zibambele) programmes submitted to EXCO by 30 June 2025	4	4	4	4	N/A	N/A	Quarterly report	N/A

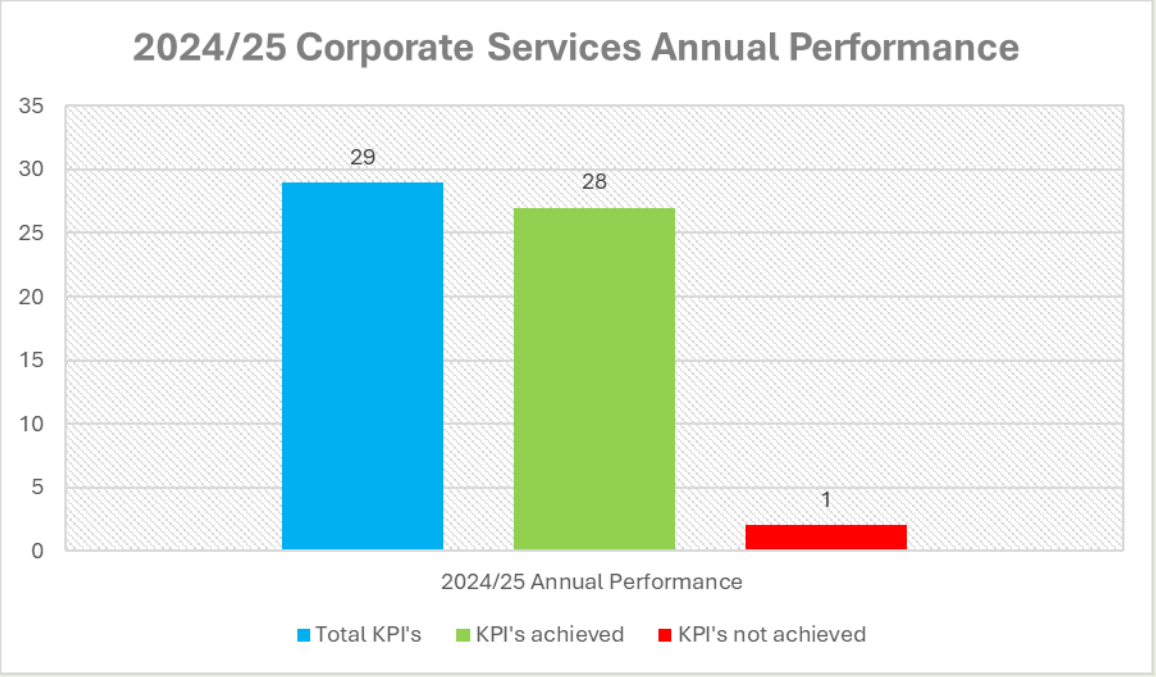
MTID 01	**46**	Date of developed draft policies and by-laws and/or reviewed draft policies and by-laws approved by Council by 31 May 2025	30-Jun-24	13-Jun-24	31-May-25	25-June-25	N/A	N/A	Copy of a Council resolution	N/A
MTOD 02	**47**	Date of submission of the departmental Organogram to Corporate Services Department for inclusion in the overall municipal organogram by 31 March 2025	31-Mar-24	06-Mar-24	31-Mar-25	27-Mar-25	N/A	N/A	Draft Organogram and Transmittal to CS/ Council resolution	
MTID 04	**48**	Date of submission of managers performance plans to HOD's by 31 August 2024	31-Aug-23	30-Aug-23	31-Aug-24	30-Aug-24	N/A	N/A	Manager's performance plans	N/A
MTID 04	**49**	Number of progress reports on implementation of performance plans by managers submitted to HOD's by 30 June 2025	24	24	24	24	N/A	N/A	Manager's Monthly progress reports	N/A

CORPORATE SERVICES

The Department of Corporate Services in headed by the Director: Corporate Services who is a section 57 employee according to the Municipal Systems Act of 2000. The corporate wing is mainly responsible for the following:

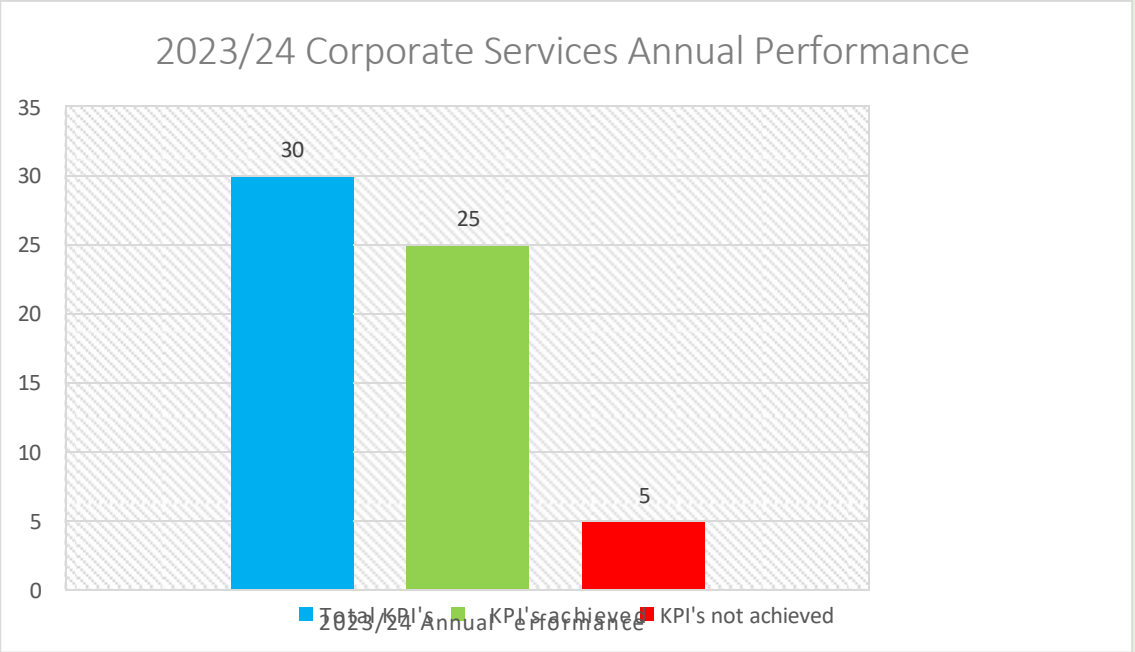
- Human Resources Management.
- General Administration.
- Information Technology.
- Committees.
- Individual Performance management system and,
- Labour Relations.

Below is a graph of the performance of the Corporate Services Department in 2023/24 and 2022/23 financial years.



	Number of KPI's	Percentage of KPI's
Total KPI's	29	100%
KPI's achieved	28	97%
KPI's not achieved	1	3%

The Corporate Services Department had a total of 29 KPI's. 28 KPI's were achieved and 1 KPI's were not achieved. This results in an overall achievement of 80% in this department during 2024/25 financial year.



	Number of KPI's	Percentage of KPI's
Total KPI's	30	100%
KPI's achieved	25	83%
KPI's not achieved	5	17%

The Corporate Services Department had a total of 30 KPI's. 25 KPI's were achieved and 5 KPI's were not achieved. This translates to an overall achievement of 83% in this department for 2023/24 financial year.

IDP Ref	KPI NO.	KEY PERFORMANCE INDICATORS 2024/25	2023/24		2024/25		Reason for variance	Corrective Measure	Portfolio of Evidence
			Target	Actual	Target	Actual			
MTID 01	**1**	Date of adopting the reviewed corporate services departmental policies by council by 31 May 2025	30-Jun-24	13 June 2024	31-May-25	19-21 May-25	N/A	N/A	Attendance registers and Council resolution
MTID 02	**2**	Date of adopting the organizational structure aligned to the 2025/26 IDP and Budget by council by 31 May 2025	31-May-24	31-May-24	31-May-25	29-May-25	N/A	N/A	Copy of signed and approved organogram and council resolution

MTID 02	**3**	Date of submission of the reviewed employment equity report to department of labour by 31 January 2025	31-Jan-24	17-Jan-24	31-Jan-25	19-Jan-25	N/A	N/A	Proof of Submission from DoL.
MTID 02	**4**	Number of people employed in line with the municipal approved annual recruitment plan by 30 June 2025	27	60	6	49	N/A	N/A	Municipal approved annual recruitment plan for 2024/2025, Employment Equity Plan and appointment letters
MTID 02	**5**	Percentage of municipal budget actuals spent on implementation of WSP by 30 June 2025	100%	100%	100%	128%	N/A	N/A	Management account

MTID 02	**6**	Number of Quarterly Local Labour Forum held by 30 June 2025	4	4	4	4	N/A	N/A	Attendance Register
MTID 02	**7**	Number of quarterly Health and Safety meetings/trainings conducted by 30 June 2025	4	4	4	4	N/A	N/A	Agenda, minutes, attendance register
MTID 02	**8**	Date of submission of the Workplace Skills Plan/Annual Training Report to SETA by 30 April 2025	30-Apr-24	17-Apr-24	30-Apr-25	29-Apr-25	N/A	N/A	LGSETA report

MTID 04	**9**	Date of submission of managers performance plans to HOD's by 31 August 2024	31-Aug-23	31-Aug-23	31-Aug-24	30-Aug-24	N/A	N/A	Signed manager's Performance Plan's
MTID 04	**10**	Number of monthly progress reports on implementation of performance plans by managers submitted to HOD by 30 June 2025	20	20	24	24	N/A	N/A	PMS monthly progress reports signed by HOD, manager and MM

MTID 05	**11**	Number of quarterly ICT Steering Committee meetings conducted by 30 June 2025	4	4	4	4	N/A	N/A	IT steering committee agenda, minutes, register
MTID 05	**12**	Date of renewing of Microsoft Licenses (ALL Licenses) by 30 June 2025	New Indicator		30-June-25	18-Dec-24	N/A	N/A	invoice
MTID 05	**13**	Date of Implementing Server upgrade by 31 December 2024	30-June-23	Not Achieved	31-Dec-24	18-Jan-25	N/A	N/A	Close-out-report
MTID 05	**14**	Date of Delivery of computers by 31 December 2024	New Indicator		31-Dec-24	15-Dec-24	N/A	N/A	Invoices /Delivery notes
MTID 05	**15**	Date of Implementation of Cyber Security by 31 March 2025	New Indicator		31-Mar-25	9-June-25	N/A	N/A	Project plan

GGPP 01	**16**	Number of portfolio committee agendas issued by 30 June 2025	40	52	50	50	N/A	N/A	Portfolio Committee Attendance registers
GGPP 01	**17**	Number of monthly (July to November 2024 and February to June 2025) corporate portfolio committee meetings held by 30 June 2025	10	10	10	10	N/A	N/A	Attendance registers of meetings/signed minutes and agenda
GGPP 01	**18**	Number of quarterly audit and performance committee meetings attended by HOD by 30 June 2025	4	3	4	4	N/A	N/A	Attendance registers

GGPP 02	**19**	Number of quarterly cluster war-rooms reports submitted to Office of the Municipal Manager by 30 June 2025	4	0	4	1	Lack of proper coordination between public participation unit, where there was no annual schedule of meetings that needs to be acquired by responsible managers, which stipulates wards, dates as well ward councilors. Furthermore, the deployed managers were not clear about their roles in war rooms, up until Manager Strategic overcome these challenges.	Officials need to be provided with schedule of meetings on time, the schedule requested for future purposes.	Cluster war-room report and Acknowledgement

GGPP 02	**20**	Number of monthly EXCO meeting coordinated by 30 June 2025	12	11	11	11	N/A	N/A	Attendance registers, notice of the meeting and minutes
GGPP 01	**21**	Number of Council meeting coordinated by 30 June 2025	10	14	10	15	N/A	N/A	Attendance registers, notice of the meeting and minutes
GGPP 05	**22**	Number of quarterly Performance reports submitted to Corporate Portfolio Committee by 30 June 2025	4	4	4	4	N/A	N/A	Minutes of Corporate Services Portfolio Committee
GGPP 06	**23**	Number of quarterly risk management committee meetings attended by HOD 30 June 2025	New Indicator		4	4	N/A	N/A	Attendance Register

GGPP 06	**24**	Number of risk progress reports submitted to risk management unit by 30 June 2025	3	3	4	4	N/A	N/A	Quarterly risk progress report
GGPP 06	**25**	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2025	3 days	3 days	3 days'	3 days'	N/A	N/A	Acknowledgement Letters
GGPP 06	**26**	Number of days for management to respond to request for information and Audit Queries raised by Auditor General by 31 December 2024	3 days	3 days	3 days	3 days	N/A	N/A	Tracking Tool

MFVM 01	**27**	Percentage of operational budget spent by Corporate Services by 30 June 2025	100%	108%	100%	119%	N/A	N/A	Management account
MFVM 02	**28**	Amount of overtime expenditure kept within the allocated budget daily by 30 June 2025	R120 000	R14 108.94	R30,000	R18437.65	N/A	N/A	Report from finance showing expenditure on overtime

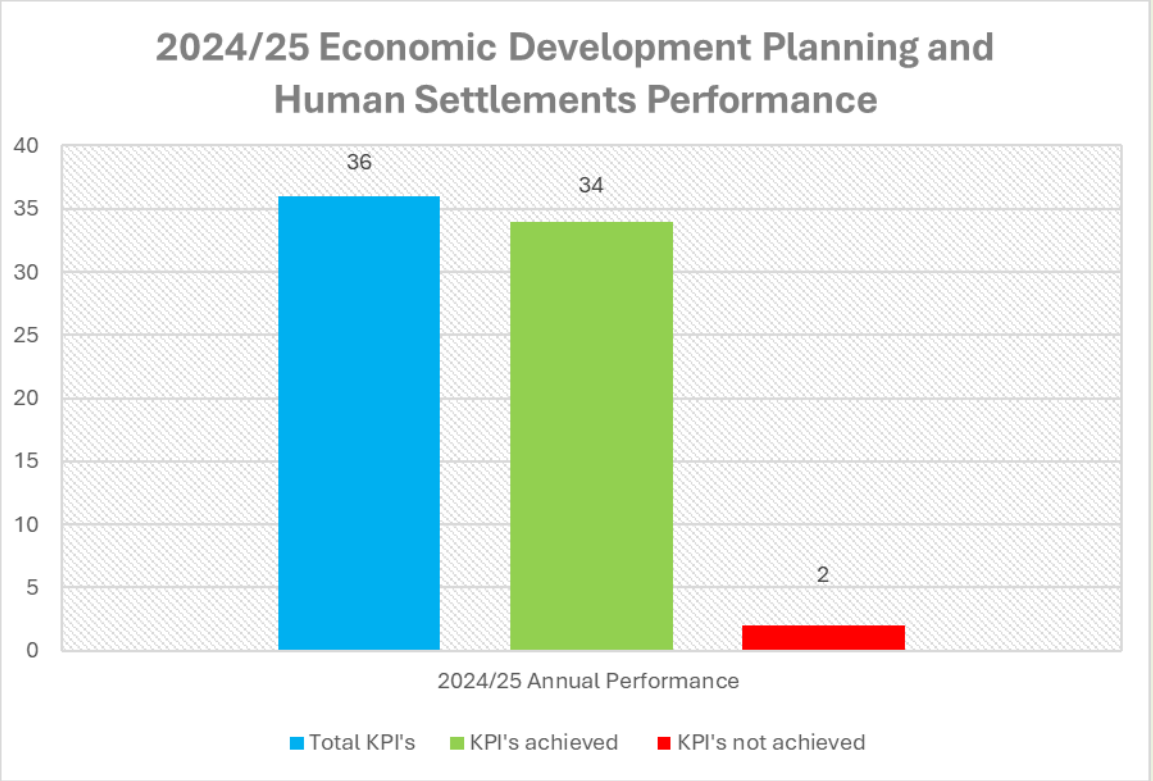
MFVM 05	**29**	Amount of Revenue collected on services (municipal houses rented) provided by municipal departments by 30 June 2025	R112,000	R119001.06	R120,000	R160981.62	N/A	N/A	Ledge Spread Sheet from Finance

ECONOMIC DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS.

The Economic Development and Planning Department is the strategic business unit of the municipality and includes the following four divisions:

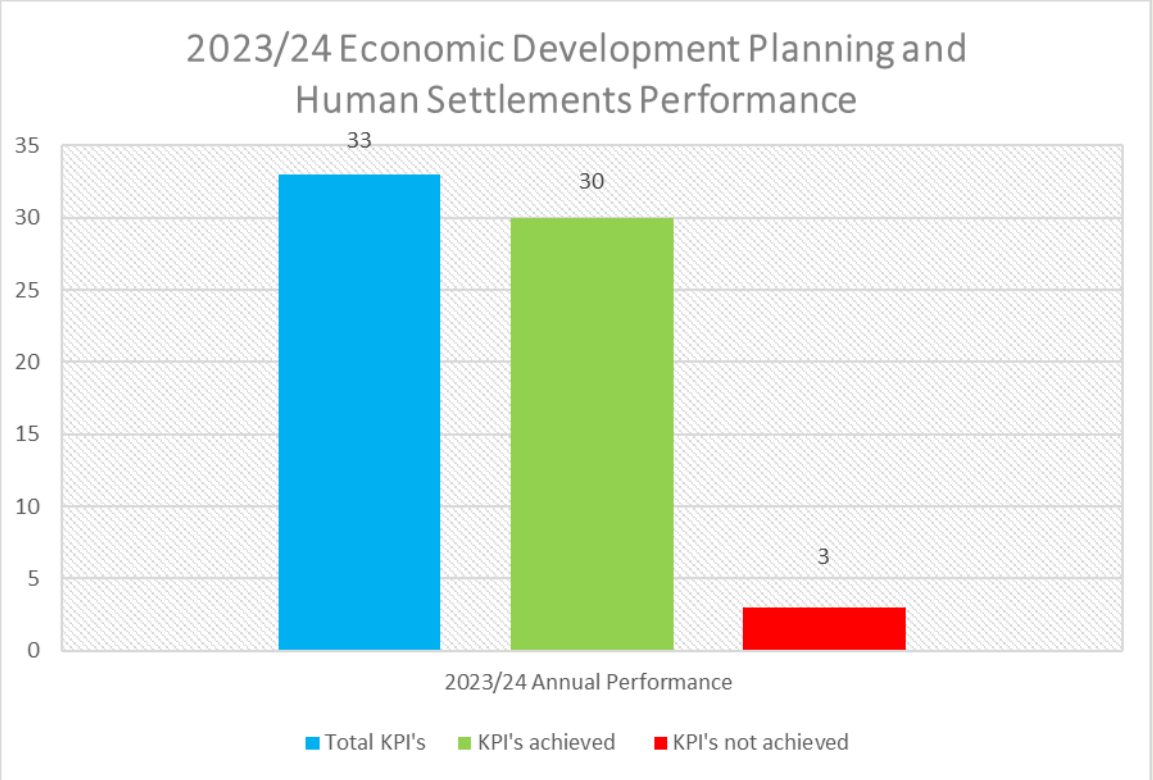
- Integrated Development (Strategic) Planning, Spatial Planning and Statutory Planning which includes implementation of the Land Use Management System, particularly the Planning and Development Act (PDA) and in future, the Spatial Planning and Land Use Management Act (SPLUMA).
- Human Settlements is essentially the implementation of rural and urban sustainable human settlement and development projects as an agent of the provincial Department of Human Settlements. Building controls which includes the assessment and approval of building plans and enforcement of the National Building Regulations.
- Local Economic Development (Tourism, Business Licensing and SMME's Development, Agriculture, Manufacturing).

Below is a graph demonstration of the performance of this department in the 2024/25 and 2023/24 financial year.



	Number of KPI's	Percentage of KPI's
Total KPI's	36	100%
KPI's achieved	34	94%
KPI's not achieved	2	6%

The Economic Development Planning and Human Settlements Department had a total of 36 KPI's. 34 KPI's were achieved and 2 KPI's were not achieved. This translates to an overall of 91% achievement during 2024/25 financial year.



	Number of KPI's	Percentage of KPI's
Total KPI's	33	100%
KPI's achieved	30	91%
KPI's not achieved	3	9%

The Economic Development Planning and Human Settlements Department had a total of 33 KPI's. 30 KPI's were achieved and 3 KPI's were not achieved. This translates to an overall of 91% achievement for the department in the 2023/24 financial year.

IDP REF NO	KPI NO.	Key Performance Indicator (KPI's) 2024/25	2023/24		2024/25		Reason for variance	Corrective measures	WARD	POE
			TARGET	ACTUAL	TARGET	ACTUAL				
BSD 03	1	Number of monthly progress reports (July to Nov 2024) and (February to June 2025) on housing delivery submitted to Economic Development Planning and Human Settlement Portfolio Committee by 30 June 2025	10	10	10	10	N/A	N/A	1; 2; 8; 9; 10, 11; 16,17 and 18	EDPHSPC Reports/ minutes
BSD 03	2	Number of Quarterly Housing Forum hosted by Economic Development Planning and Human Settlements by 30 June 2025	2	2	4	4	N/A	N/A	3	Housing forum report and Attendance Register

BSD 03	3	Number of monthly progress reports (July to Nov 2024) and (Feb. to June 2025 on property transferred/title deeds to Economic Development Planning and Human Settlements by 30 June 2025	10	10	10	10	N/A	N/A	10	EDPHSPC Reports/ Minutes.
GGPP 01	4	Number of quarterly audit and performance committee meetings attended by HOD by 30 June 2025	4	4	4	4	N/A	N/A	3	Attendance Registers
GGPP 02	5	Number of quarterly cluster war-rooms reports submitted to Office of the Municipal Manager by 30 June 2025 (Ward 5 & 10)	4	2	4	4			5,10	Cluster war-room reports and Acknowledgement letter.

GGPP 05	6	Date of adoption of the 2025/26 IDP, Budget and PMS Process Plan by Council by 31	31-Aug-23	31-Aug-23	31-Aug-24	30-Jul-24	N/A	N/A	18 Wards	Council Resolution

		August 2024								
GGPP 05	7	Date of approval and adoption of the 2025/26 IDP by Council by 31 May 2025	31-May-24	23-May-24	31-May-25	30-May-25	N/A	N/A	18 Wards	Council Resolutions
GGPP 05	8	Date of conducting Strategic Planning for Councilors and Management by 31 March 2025	New Indicator		31-Mar-25	3-6 Mar-25	N/A	N/A	N/A	Attendance Register
GGPP 05	9	Number of quarterly Performance reports submitted to Economic Development Planning and Human Settlements Portfolio Committee by 30 June 2025	4	4	4	4	N/A	N/A	N/A	Minutes of EDPHS Portfolio Committee

GGPP 5	10	Number of IDP Representative Forum meeting hosted by 30 June 2025	New Indicator	3	2	According to the 2024/25 IDP process Plan, the IDP Rep Forum meeting was scheduled for the 27 March 2025. The chairperson (The Mayor) was not available on	IDP Rep forum will be scheduled to take place on the 1st week of the month to create sufficient flexibility of the Mayor as the Chairperson of the Forum.	All wards	Attendance Register and Minutes

						the day and an alternative day for the meeting fell on the fourth quarter.			
GGPP 06	11	Number of quarterly Risk Management Committee meetings attended by HOD EDPHS Department by 30 June 2025	New Indicator		4	4	N/A	N/A	N/A	Attendance Register
GGPP 06	12	Number of quarterly risk progress reports submitted to risk management unit by 30 June 2025	4	4	4	4	N/A	N/A	N/A	Quarterly risk report
GGPP 06	13	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2025	3 days	3 days	3 days'	3 days'	N/A	N/A	N/A	Acknoweledgement Letters

GGPP 06	14	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2025	3 days	3 days	3 days'	3 days'	N/A	N/A	N/A	Tracking Tool
LED 01	15	Number of quarterly trainings provided to SMME's on business skills by 30 June 2025	4	9	4	4	N/A	N/A	All wards (18)	Attendance registers and report
LED 07	16	Number of SMME Supported through Quick Wins programmes in all Wards (ward 1 - 18) by 30 June 2025	100	104	75	75	N/A	N/A	All Wards (18)	Advert, List of the 75 beneficiaries and acknowledgement letter
LED 07	17	Number of (3) Emerging Entrepreneurs supported on the entrepreneur support programme by 31 December 2024	3	3	3	3	N/A	N/A	All wards (18)	Acknowledgment letter and List of the entrepreneurs supported and report.

LED 07	18	Number of quarterly	4	4			N/A.	N/A	All	Attendance

		business compliance inspections conducted by 30 June 2025			4	4			wards (18)	Register and dated pictures.
LED 07	19	Date of erection of outdoor Billboard by 30 June 2025	New Indicator		30-June-25	30-May-25	N/A	N/A	3	Completion certificate
LED 06	20	Number of bi-annual LED Forum hosted by Economic Development planning and Human Settlements by 30 June 2025	2	2	2	2	N/A	N/A	District Level	Attendance register
LED 06	21	Date of hosting business Fair for Mandeni SMME's by 31 March 2025	31-Mar-24	24-Mar-24	31-Mar-25	28-Mar-25	N/A	N/A	All Wards (18)	EDPHSPC Report/Minutes

LED 04	22	Number of progress reports on jobs sustained through construction of RDP Housing project by 30 June 2025	New Indicator	10	10	N/A	N/A	1,8,10,11,12,16, 17&18	EDPHSPC Report/Minutes

LED 07	23	Number of Agricultural fresh Produce market hosted by Economic Development Planning and Human Settlements by 30 June 2025	3	2	3	3	N/A	N/A	All wards (18)	Attendance Register of agricultural fresh produce farmers.
LED 06	24	Number of bi-annual Community Tourism Organization Workshop by 31 March 2025	New Indicator		2	2	N/A	N/A	All wards (18)	Attendance Register and Report
LED 06	25	Date of hosting the Mandeni Dokodweni Beach Festival by 31 December 2024	31-Dec - 23	27-28 Dec-23	31-Dec-24	27-28 Dec-24	N/A	N/A	1	Event Inspiration Report presented to EDPHS Portfolio Committee

LED 06	26	Date of erection of Tourism Sign Boards in ward 3 &6 by 30 September 2024	New Indicator		30-Sept-24	23-Dec-24	N/A	N/A	3&6	Completion certificate and dated pictures
LED 06	27	Date of hosting Raft Race in ward 2 & 3 by 30 June 2025	30-Jun-24	24-April 24	30-June-25	26-Apr-25	N/A	N/A	2 & 3	Event Attendees Register and Report
LED 06	28	Date of Tabling the Reviewed Tourism Strategy to council for adoption by 31 May 2025	New Indicator		31-May-25	25-June-25	N/A	N/A	All wards (18)	Council Resolution

MFVM 01	29	Percentage of operational budget spent by 30 June 2025	100%	91%	100%	102%	N/A	N/A	N/A	Management account
MFVM 02	30	amount of quarterly of expenditure on overtime kept within allocated budget by 30 June 2025	R30,000	R8 433.93	R12,303	R17205.9	The overspending of the EDPHS overtime in quarter 4 was due to the IDP road shows meeting that occurred/held during the on weekends and after working hours.	Reducing the meetings schedule for weekends and after working hours.	N/A	Report from finance showing expenditure on overtime.

MFVM 05	31	Amount of revenue collected as per submitted town planning applications, business license, building plans and rental collection from Informal Traders Stalls by 30 June 2025	R120 000	R385 908.93	R120 000,00	R530796.27	N/A	N/A	N/A	Ledge Spread Sheet from Finance
SREM 01	32	Percentage of building plans which are less than 500m² approved by the Municipal Building control office within 30 days of the receipt of the application by 30 June 2025.	100%	100%	100%	100%	N/A	N/A	N/A	Date and time stamped data, Sequential List of building plans received, sequential list of building plans processed and approved within 30 days letters to applicants.
SREM 03	33	Date of reviewed and adopted of Integrated Transport Plan by 31 May 2025	New Indicator		**Removed due to insufficient budget it will be reprioritize for 2025/26 Financial Year.**					

SR EM 03	34	Date of Review and final adoption of Spatial Development Framework by Council by 31 May 2025	31-May - 24	23-May-24	31-May-25	30-May-25	N/A	N/A	N/A	Council Resolution
SR EM 03	35	Date of preparing Feasibility Study for Shayamoya Beach by 31 May 2025	New Indicator		**Removed due to insufficient budget it will be reprioritize for 2025/26 Financial Year.**					
SR EM 02	36	Date of Preparation and adoption of Precinct Plans for Mandeni Ext 8 by 31 March 2025	New Indicator		31-Mar-25	25-June-25	N/A	N/A	3	Council Resolution
MT ID 04	37	Date of submission of managers performance plans to HOD's by 31 August 2024	31-Aug-23	31-Aug-23	31-Aug-24	31-Aug-24	N/A	N/A	N/A	Manager's Performance Plan's
MT ID 04	38	Number of progress reports on implementation of performance plans by managers submitted to HOD's by 30 June 2025	36	36	36	36	N/A	N/A	N/A	PMS monthly progress reports

MANDENI MUNICIPALITY

PERFORMANCE MANAGEMENT SYSTEM: 2024/2025 Technical Indicator Descriptions

KEY PERFORMANCE AREA (KPA): BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

TECHNICAL SERVICES AND INFRASTRUCTURE DEVELOPMENT

KPI 01 - 02

Indicator title	**1. Date of completion of installation of phase 1 streetlights project between P415 and P459 entrance town ward 3 by 31 December 2024** **2. Date of completion of installation of Khenana high must lights in Mandeni, phase 2 in ward 10 by 31 December 2024**
Short definition	Installation of streetlights and highmasts lights in P415 and P459 Ward 3 and Ward 10
Purpose/importance	The provision of light between the entrance of P415 and P459 Ward 3 and Ward 10
Source/collection of data	PMU
Activities	The appointed service providers to install streetlights and highmast lights with the purpose of providing improved street lighting in the P415 and P459 roads in ward 3 and ward 10
Method of calculation / verification (Portfolio of Evidence)	Practical completion certificate
Data limitations	None
Type of indicator	Output
Calculation type	Once off
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Installation of streetlights and highmast lights in P415 and P459 roads in ward 3 and ward 10
Indicator responsibility	Executive Director: Technical Services

Outcome	Installation of streetlights and highmast lights in P415 and P459 roads in ward 3 and ward 10

KPI 03 - 09

Indicator title	3. **Date of completing the Rehabilitation of 1.23kms of internal roads (Mthombeni, Mbabala, Umgakla & Sondeza internal Roads) and Upgrade of Associated stormwater in sundumbili, ward 13 phase 1 (Finalizing of remaining 50% scope of work) by 30 June 2025** 4. **Date of completion 1.6 kms (Construction of sub grade, sub base, base and Asphalt surfacing) of Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 2 & Ward 14 White City Section (Rehabilitation of Phumla, Indumiso and Malandela Internal Roads & Stormwater in Sundumbili, Ward 13 Phase 2 and Ward 14) by 30 December 2024** 5. **Percentage of completion of Upgrade of 1.5kms Machibini Link Road in Wards 10 & 12, by 30 June 2025** 6. **Percentage of completion of rehabilitation of 0.99km Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase 1, by 30 June 2025** 7. **Percentage of completion of 250m Extension of Kingfisher road in ward 3 by 30 April 2025** 8. **Percentage of completion of rehabilitation of 420m Masilela road in ward 14 by 30 June 2025** 9. **Percentage of completion of regravelling of 750m Links Road Masomonce bus route and enembe/isithebe link road in ward 13 by 30 June 2025**
Short definition	Rehabilitation of internal roads and associated stormwater
Purpose/importance	To provide improved internal roads access and associated stormwater in all of the wards above
Source/collection of data	PMU
Activities	The appointed serves provider to provide the detailed design with tender document to start the tendering process. The unit review the designs and the tender document and present to Bid Specification Committee. Upon concluding the process, the contractor is then introduced to the community. The unit together

	with implementing agent, oversee the implementation of the project, through PSC/technical meetings monthly or as when they are required. All reports are generated to MS/ excel word.
Method of calculation / verification (Portfolio of Evidence)	Practical completion certificates
Data limitations	Weather slows down progress. Contractor's default.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly, annually
New indicator	No
Desired performance	Improved road access and associated stormwater
Indicator responsibility	Executive Director: Technical Services
Outcome	Improved road access and associated stormwater

KPI 10

Indicator title	**10. Percentage of practical completion for the construction of a sports field and combo court in Hlomendlini, Ward 4 by 30 June 2025**
Short definition	Construction of: • sportfield and combo court. • Ablution facility • Guard house • Fencing of the sportfield facility
Purpose/importance	To provide community of ward 4 access to an improved sport facility
Source/collection of data	PMU
Activities	The appointed serves provider to provide the detailed design with tender document to start the tendering process. The unit review the designs and the tender document and present to Bid Specification Committee. Upon concluding the process, the contractor is then introduced to the community. The unit together with implementing agent, oversee the implementation of the project through PSC/technical meetings monthly or as when they are required. All reports are generated to MS/ excel word.

Method of calculation / verification (Portfolio of Evidence)	Appointment letter, Progress report and Practical completion certificate
Data limitations	Weather slows down progress. Contractor's default.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly & annually
New indicator	No
Desired performance	Improved sportsfield for the ward 4 community
Indicator responsibility	Executive Director: Technical Services
Outcome	Completion of the remainder of the scope of the sports field

KPI 11

Indicator title	**Percentage of completion of the extension of Mechanical phase 2 in ward 3 by 30 June 2025**
Short definition	Construction of parking yard Fencing of the yard Construction of road to the yard Construction of guard house
Purpose/importance	To provide access to the municipal fleet parking yard Provision of parking yard and fencing as well as construction of guard house
Source/collection of data	PMU
Activities	The appointed serves provider to provide the detailed design with tender document to start the tendering process. The unit review the designs and the tender document and present to Bid Specification Committee. Upon concluding the process, the contractor is then introduced to the community. The unit together with implementing agent, oversee the implementation of the project through PSC/technical meetings monthly or as when they are required. All reports are generated to MS/ excel word.
Method of calculation / verification	Appointment letter, Progress report and completion certificate

(Portfolio of Evidence)	
Data limitations	Weather slows down progress. Contractor's default.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly & annually
New indicator	No
Desired performance	Construction parking yard, guard house and fencing
Indicator responsibility	Executive Director: Technical Services
Outcome	Construction parking yard, guard house and fencing

KPI 12

Indicator title	**Percentage of completion of cemetery development, fencing and construction of the guard house in ward 4 by 30 June 2025**
Short definition	Fencing of the cemetery site Construction of guard house
Purpose/importance	To provide community of Mandeni Municipality with access to the burial site Provision of fencing as well as construction of guard house
Source/collection of data	PMU
Activities	The appointed serves provider to provide the detailed design with tender document to start the tendering process. The unit review the designs and the tender document and present to Bid Specification Committee. Upon concluding the process, the contractor is then introduced to the community. The unit together with implementing agent, oversee the implementation of the project through PSC/technical meetings monthly or as when they are required. All reports are generated to MS/ excel word.
Method of calculation / verification	Appointment letter, Progress report and completion certificate

(Portfolio of Evidence)	
Data limitations	Weather slows down progress. Contractor's default.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly & annually
New indicator	No
Desired performance	Construction guard house and fencing of the cemetery site
Indicator responsibility	Executive Director: Technical Services
Outcome	Construction guard house and fencing of the cemetery site

KPI 13

Indicator title	**Number of m^2 of potholes repaired and maintained (2700m2) in ward 2,3,4,7,10,12,13,14 & 15 by 30 June 2025**
Short definition	Potholes repairs
Purpose/importance	Ensure services delivery by ensuring that all municipal roads are bin a good working condition
Source/collection of data	Civil operations and maintenance
Activities	Request for requisition to SCM unit. Then SCM unit appoints the service provider to supply material. The civil and operation section acquired complaints through

	ward councilors , once the section received complaints then they perform implement by fixing the potholes
Method of calculation / verification (Portfolio of Evidence)	• square metres of potholes fixed • Measurements reports
Data limitations	Weather slows down progress. Plant and equipment breakdown
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly & annually
New indicator	No
Desired performance	To achieve and fix 2700 square meters of potholes and ensure that the safety of the motorists are considered.
Indicator responsibility	Executive director: Technical Services
Outcome	To achieve 2700 square metres fixed potholes and ensure that roads are in satisfactory standard

KPI 14

Indicator title	**Number of metres of guard rails (250m) to be installed in wards 11, 13, 14 and 15 by 30 June 2025**
Short definition	Installation of guard rails

Purpose/importance	To ensure safety of motorist and pedestrians
Source/collection of data	Civil operations and maintenance
Activities	The request for requisition to SCM then SCM to outsource the service provider for installation of guard rails. The civil and operation section supervisors the installation of guard rails.
Method of calculation / verification (Portfolio of Evidence)	Measurement sheet and completion certificate
Data limitations	Weather slows down progress. Contractor's default.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly & annually
New indicator	No
Desired performance	Ensure safety and both motorists and pedestrians
Indicator responsibility	Executive Director: Technical Services
Outcome	To maintain the safety of motorists and pedestrians

KPI 15

Indicator title	**Number of metres of kerbs and concrete channel (250m) to be constructed in wards 2,3 and 12 by 30 June 2025**
Short definition	Construction of kerbs and concrete in wards 2,3 and 12
Purpose/importance	To ensure safety of motorist and pedestrians
Source/collection of data	Civil operations and maintenance
Activities	The request for requisition to SCM then SCM to outsource the service provider for installation of guard rails. The civil and operation section supervisor to ensure the installation of kerbs and concrete channel.
Method of calculation /	Measurement sheet and completion certificate

verification (Portfolio of Evidence)	
Data limitations	Weather slows down progress. Contractor's default.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly & annually
New indicator	No
Desired performance	Ensure safety and both motorists and pedestrians
Indicator responsibility	Executive Director:Technical Services
Outcome	To maintain the safety of motorists and pedestrian

KPI 16

Indicator title	**Number of kilometres of gravel roads (320) maintained in-house in ward 1,2,4,5,6,7,8,9,10,11,12 16,17 and 18 by 30 June 2025**
Short definition	Gravel road mantainance
Purpose/importance	Ensure community members have access to main roads
Source/collection of data	Civil operations and maintenance
Activities	The municipality have a yellow plant, they develop a rural road gravel maintenance programme. Civil and operations unit implement the programme for all targeted wards, where rural gravel are properly maintained.
Method of calculation / verification (Portfolio of Evidence)	No. of rural roads maintained. Measurements reports
Data limitations	Weather slows down progress. Plant and equipment breakdown
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly & annually

New indicator	No
Desired performance	To achieve 320 km road maintenance in rural areas
Indicator responsibility	Executive Director:Technical Services
Outcome	Maintenance of 320 km rural gravel roads

KPI 17

Indicator title	**Number of speed humps (25) to be constructed in ward 3,7,13,14 and 15 by 30 June 2025**
Short definition	Construction of speeds humps
Purpose/importance	To ensure safety of community members
Source/collection of data	Civil operations and maintenance
Activities	Request for requisition to SCM unit. Then SCM unit appoints the service provider to supply material. The civil and operation section acquired complaints through ward councilors , once the section received complaints then they perform implement installation of speed humps
Method of calculation / verification (Portfolio of Evidence)	Project list, appointment letter, monthly project progress reports, reports to IAT with photos of actual construction, Practical completion certificate,
Data limitations	Weather slows down progress. Contractor's default
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly & annually
New indicator	No
Desired performance	25 speed humps
Indicator responsibility	Executive Director:Technical Services
Outcome	To maintain and upgrade existing municipal infrastructure

KPI 18 – 18(a)

Indicator title	**18. Number of Road signs (30) to be installed in ward 3,4,7,13,14 and 15 by 30 June 2025.** **18(a) Percentage of completion of painting of 15km of road markings to completed in ward 3,4,7,13,14 & 15 by 30 June 2025**
Short definition	Installation of 30 road signs and repainting of 15 km road markings
Purpose/importance	To provide valuable information for motorists and pedestrians
Source/collection of data	Civil Operations and maintenance
Activities	Request for requisition to SCM unit. Then SCM unit appoints the service provider to supply material. The civil and operation section acquired complaints through ward councilors , once the section received complaints then they perform implement by fixing the road signs and repainting
Method of calculation / verification (Portfolio of Evidence)	Project list, appointment letter, monthly project progress reports, reports to IAT with photos of actual construction, Practical completion certificate,
Data limitations	Weather slows down progress. Contractor's default.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly & annually
New indicator	No
Desired performance	Installation of 30 road signs and 15 km of repainted road markings
Indicator responsibility	Executive Director:Technical Services
Outcome	A safer road to drive on

KPI 19 - 32

Indicator title	**19. Percentage of 1km road regravelling at KwaNgcobo leading to KwaMwandla Ward 11 to practical completion by 31 March 2025** **20. Percentage of 1km road regravelling from Kwamjulelwa leading to eziMpohlweni Ward 15 to practical completion by 31-March 2025** **21. Percentage of 1km road regravelling from KwaMathonsi estobini leading to KwaMthembu estobhini Ward 16 to practical completion by 31 March 2025**

	22. **Percentage of 1km road regravelling from Ezimangweni leading to Okhalweni Ward 17 to practical completion by 31 March 2025** 23. **Percentage of 1km road regravelling from Sithebe library leading to Othini area Ward 18 to practical completion by 31 March 2025** 24. **Percentage of 1km road regravelling of Dabedabe Road in Ward 10 to practical completion by 31 March 2025** 25. **Percentage of 1km road regravelling of Maqina road at Ward 8 to practical completion by 31 March 2025** 26. **Percentage of 1km road regravelling from road D888 leading to KwaMnguni store in Ward 1 to practical completion by 31 March 2025** 27. **Percentage of 1km road regravelling from Esamaqamu road leading to Mgizimba in Ward 5 to practical completion by 31 March 2025** 28. **Percentage of 1km road regravelling of Machibini Link Road at Ward 12 to practical completion by 31 March 2025** 29. **Percentage of 1km regravelling of Masinga road in Ward 4 to prectical completion by 31 March 2025** 30. **Percentage of 1km road regravelling from Carwash P415 to N2 tunnel bridge in Ward 3 to practical completion by 31 March 2025** 31. **Percentage of 1km road regravelling from ward 7 Phase 2 to Hlanzeni to practical completion by 31 March 2025** 32. **Percentage of 1km road regravelling from Esikhoveni leading to Nyathini in ward 9 to practical completion by 31 March 2025**
Short definition	Re-gravelling of internal roads and associated stormwater
Purpose/importance	To provide improved internal roads access and associated stormwater in all of the wards above
Source/collection of data	Civil Operations and maintenance
Activities	The appointed serves provider to provide the detailed design with tender document to start the tendering process. The unit review the designs and the tender document and present to Bid Specification Committee. Upon concluding the process the contractor is then introduce to the community. The unit together with implementing agent, oversee the implementation of the project, through PSC/technical meetings monthly or as when they are required. All reports are generated to MS/ excel word.
Method of calculation /	Progress report and Practical completion certificates

verification (Portfolio of Evidence)	
Data limitations	Weather slows down progress. Contractor's default.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly, annually
New indicator	Yes
Desired performance	Improved road access and associated stormwater
Indicator responsibility	Executive Director: Technical Services
Outcome	Improved road access and associated stormwater

KPI 33

Indicator title	**Percentage of completion of mandeni intersection 2 in ward 7 to practical completion by 31 March 2025**
Short definition	To provide improved internal roads access and associated stormwater in the ward above
Purpose/importance	To provide improved road access
Source/collection of data	PMU
Activities	The appointed serves provider to provide the detailed design with tender document to start the tendering process. The unit review the designs and the tender document and present to Bid Specification Committee. Upon concluding the process, the contractor is then introduce to the community. The unit together with implementing agent, oversee the implementation of the project, through PSC/technical meetings monthly or as when they are required. All reports are generated to MS/ excel word.
Method of calculation / verification	Practical completion certificates

(Portfolio of Evidence)	
Data limitations	Weather slows down progress. Contractor's default.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly, annually
New indicator	No
Desired performance	Improved facility
Indicator responsibility	Executive Director: Technical Services
Outcome	Improved road access and associated stormwater

KPI 34

Indicator title	**Percentage of completion of planning of construction of new office block in ward 3 to practical completion by 30 June 2025**
Short definition	Tender document for construction Final design report
Purpose/importance	To present tender document to the BSC committee and appointment of contractor
Source/collection of data	PMU
Activities	The appointed serves provider to provide the detailed design with tender document to start the tendering process. The unit review the designs and the

	tender document and present to Bid Specification Committee. Upon concluding the process, the contractor is then introduce to the community.
Method of calculation / verification (Portfolio of Evidence)	appointment letter, progress report ,council resolution and detailed design
Data limitations	Late submission by service provider
Type of indicator	Output
Calculation type	Once off
Reporting cycle	Annually
New indicator	Yes
Desired performance	Finalization of design development, tender document and appointment of contractor
Indicator responsibility	Executive Director:Technical Services
Outcome	Appointment of contractor

KPI 35

Indicator title	**Percentage of completion of delivery, installation, and connection of water tanks for municipal offices in ward 3 by 30 June 2025.**
Short definition	To provide water to the municipal offices in case of water cuts/shortage through tanks and water pumps that are connected to the water supply system to the facilities/office.

Purpose/importance	To provide water to the municipal offices in case of water shortage for the municipal officials to continue to be functional.
Source/collection of data	Civil Operations and maintenance
Activities	Formulation and submission of specifications to SCM for the purposes of acquiring contractor. Monitor and evaluate contractor during the construction
Method of calculation / verification (Portfolio of Evidence)	progress report and practical completion
Data limitations	Weather slows down progress. Contractor's default.
Type of indicator	Output
Calculation type	Once off
Reporting cycle	Annually
New indicator	Yes
Desired performance	Finalization of design development, tender document and appointment of contractor
Indicator responsibility	Executive Director:Technical Services
Outcome	Installation of water tanks and pumps

KPI 36

Indicator title	**Date of completion of final design of pedestrian bridges in ward 10, 16 and 17 by 30 June 2025**

Short definition	Tender document for construction Final design report
Purpose/importance	To present tender document to the BSC committee
Source/collection of data	PMU
Activities	The appointed serves provider to provide the detailed design with tender document to start the tendering process. The unit review the designs and the tender document and present to Bid Specification Committee.
Method of calculation / verification (Portfolio of Evidence)	appointment letter, progress report ,council resolution and detailed design
Data limitations	Late submission by service provider
Type of indicator	Output
Calculation type	Once off
Reporting cycle	Annually
New indicator	Yes
Desired performance	Finalization of design development and tender document
Indicator responsibility	Executive Director:Technical Services
Outcome	Presentation of the document to BSC

KPI 37

Indicator title	**Percentage of completion of Khenana Sport field and Combo Court in ward 10 by 30 June 2025**
Short definition	Construction of: • sportfield and combo court. • Ablution facility • Guard house • Fencing of the sportfield facility
Purpose/importance	To provide community of ward 10 access to an improved sport facility
Source/collection of data	PMU
Activities	The appointed serves provider to provide the detailed design with tender document to start the tendering process. The unit review the designs and the tender document and present to Bid Specification Committee. Upon concluding the process the contractor is then introduce to the community. The unit together with implementing agent, oversee the implementation of the project through PSC/technical meetings monthly or as when they are required. All reports are generated to MS/ excel word.
Method of calculation / verification (Portfolio of Evidence)	Progress report by consulting engineers
Data limitations	Weather slows down progress. Contractor's default.
Type of indicator	Output
Calculation type	Once off
Reporting cycle	Annually
New indicator	Yes
Desired performance	40% of completion of Khenana Sportfield and Combo Court in ward 10
Indicator responsibility	Executive director: Technical Services
Outcome	40% of completion of Khenana Sportfield and Combo Court in ward 10 by 30-June-2025

KPI 38

Indicator title	**Date of completion of the Construction of the Mechanical Workshop and Office Block in ward 3 by 31 March 2025**
Short definition	Construction of mechanical workshop, storage facility for the purposes of buying in bulk through procurement, improved working space and parking.
Purpose/importance	To provide municipality with improved working space, parking, mechanical workshop and storage facility.
Source/collection of data	PMU
Activities	The appointed serves provider to provide the detailed design with tender document to start the tendering process. The unit review the designs and the tender document and present to Bid Specification Committee. Upon concluding the process the contractor is then introduce to the community. The unit together with implementing agent, oversee the implementation of the project through PSC/technical meetings monthly or as when they are required. All reports are generated to MS/ excel word.
Method of calculation / verification (Portfolio of Evidence)	Practical completion certificate
Data limitations	Weather slows down progress. Contractor's default.
Type of indicator	Output
Calculation type	Once off
Reporting cycle	Annually
New indicator	Yes
Desired performance	Finalization of design development and tender document

Indicator responsibility	Executive director: Technical Services
Outcome	Completion of the mechanical workshop and extension of offices

CHAPTER 5

FINANCIAL PERFORMANCE

FINANCIAL HEALTH OVERVIEW

COMPONENT A: STATEMENT OF FINANCIAL POSITION

Statement of Financial Performance Figures in Rand	Note(s)	2025	2024
Revenue			
Revenue from exchange transactions			
Service charges	16	77,826,134	73,544,048
Construction contracts	17	1,304,348	10,560,568
Rental of facilities and equipment	18	593,198	294,366
Interest income - Service charges	19	1,487,187	919,269
Licenses and permits	20	969,092	984,777
Retention forfeits	21	2,491,023	
Other income	22	2,332,423	2,764,386
Interest received - investment	23	19,863,247	26,748,038
Total revenue from exchange transactions		**106,866,652**	**115,815,452**
Revenue from non-exchange transactions			

Taxation revenue			
Property rates	24	63,942,090	58,320,526
Interest income - Property rates	25	3,569,811	3,459,757
Transfer revenue			
Government grants & subsidies	26	298,970,658	297,059,542
Fines, penalties and forfeits	27	1,078,103	1,583,588
Donated assets income	28	1,707,087	14,200
Total revenue from non-exchange transaction		**369,267,749**	**360,437,613**
Total revenue	15	**476,134,401**	**476,253,065**
Expenditure			
Employee related costs	29	-156,631,071	-130,711,296
Remuneration of councillors	30	-15,150,585	-14,563,808
Bad debts written off	31	-10,695,563	-4,388,493
Depreciation and amortization	32	-37,846,362	-31,488,912
Finance costs	39	-3,399,367	-3,134,616
Lease rentals on operating lease	38	-2,261,365	-2,272,751
Debt impairment	37	-24,402,858	-6,047,836
Inventory consumed	33	-6,134,721	-3,834,651
Bulk purchases	34	-58,515,367	-52,474,725
Contracted services	40	-81,245,570	-84,659,034
Transfers and Subsidies	35	-2,450,000	-1,700,000
Operational costs	41	-68,839,043	-60,092,620
Total expenditure		**-467,571,872**	**-395,368,742**
Operating surplus		**8,562,529**	**80,492,862**
Loss on disposal/scrapping of assets	42	-964,738	-500,517
Fair value adjustments	43	2,239,000	1,541,000
Actuarial gains/losses	13	2,619,115	-217,970
Impairment loss	36	-8,472,218	-2,238,807
		-4,578,841	**-1,416,294**
Surplus for the period		3,983,688	79,076,568

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	3	16,305,125	9,356,268
Short-term investments	4	115,593,832	199,451,615
Receivables from exchange transactions	5.1	20,003,569	22,957,747
Receivables from non-exchange transactions	5.2	3,080,502	2,294,785
Statutory receivables	5.3	58,672,925	52,832,933
Cash and cash equivalents	6	41,638,861	42,734,144
		255,294,814	**329,627,492**
Non-Current Assets			
Investment property	7	44,152,000	41,913,000
Property, plant and equipment	8	747,620,465	669,291,315
Intangible assets	9	2,123,913	2,371,690
		793,896,378	**713,576,005**
Total Assets		**1,049,191,192**	**1,043,203,497**
Liabilities			
Current Liabilities			
Payables from exchange transactions	10	74,092,603	70,316,890
Consumer deposits	11	179,038	185,196
Employee benefit obligation	13	1,122,996	1,125,558
Unspent conditional grants and receipts	12	5,291,853	9,028,438
		80,686,490	**80,656,082**
Non-Current Liabilities			
Employee benefit obligation	13	27,646,819	25,769,737
Total Liabilities		**108,333,309**	**106,425,819**

Net Assets		**940,857,883**	**936,777,678**	
Reserves				
Housing Development fund		2,229,931	2,133,415	
Accumulated surplus	14	938,627,952	934,644,263	Total Net Assets
940,857,883		**936,777,678**		

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

The Budget and Treasury Office's main responsibilities are to ensure that:
The municipality's assets are safeguarded.

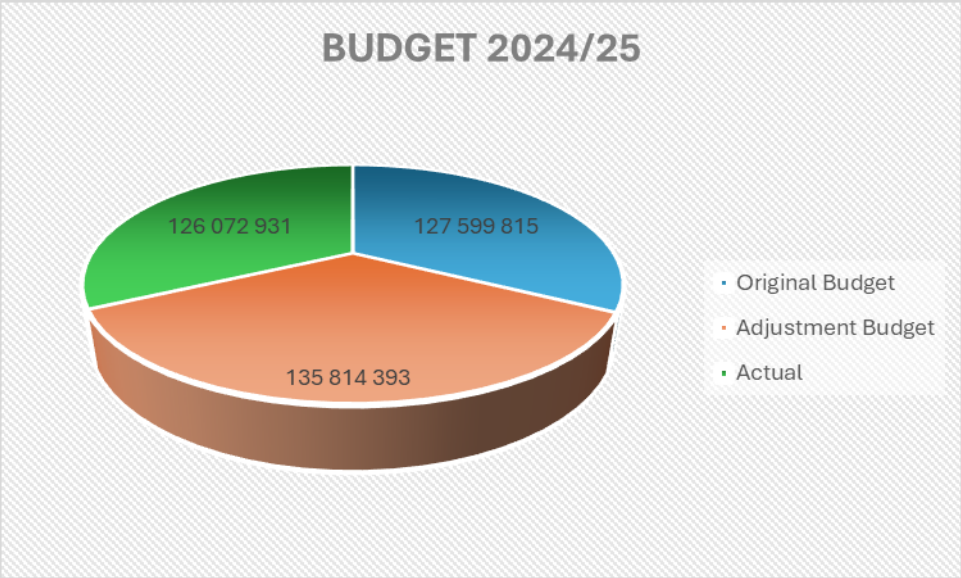
- The municipality's budget is achieved.
- The finances are properly accounted for and reported accordingly.

In implementing these functions there are key indicators to ensure their achievement. Deviations are explained. The purpose of this report is to give an overview update on the progress of implementing these functions.

Financial Overview: 2024/25			R'
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	292,923,000	300,584,059	298,970,658
Taxes, Levies and tariffs	65,212,318	65,544,318	67,511,901
Other	13,315,230	7,496,100	15,333,389
Sub Total	486,860,894	489,571,823	480,992,516
Less: Expenditure	443,030,800	461,700,014	477,008,828
Net Total*	43,830,094	27,871,809	3,983,688
* Note: surplus/(deficit			

Operating Ratios	
Detail	
Employee Cost	36%
Current Ratio	R3.16c

Cash cost coverage	3months
Collection rate	79%
Capital expenditure to Total expenditure	67%
Level of cash backed reserves	Above 100%



Total Capital Expenditure: 2023/24 to 2024/25 Financial Years			R'000
Detail	2023/24	2023/24	2024/25
Original Budget	78,311,180	143,783,764	127,599,815
Adjustment Budget	86,665,931	139,783,764	135,814,393
Actual	75,545,053	144,851,041	126,072,931

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENT

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Taxation		37,574,846	25,546,585
Sale of goods and services		83,604,676	70,196,724
Grants		297,954,000	293,790,675
Interest income		12,865,195	42,000,936
		431,998,717	**431,534,920**
Payments			
Employee costs		(168,482,842)	(141,802,002)
Suppliers		(214,647,006)	(191,959,081)
Finance costs		(67)	(136,746)
		(383,129,915)	**(333,897,829)**
Net cash flows from operating activities	45	**48,868,802**	**97,637,091**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(126,701,625)	(142,727,127)
Proceeds from sale of property, plant and equipment	42	827,381	1,192,678

Proceeds from sale of investment property	42	-	157,000
Purchase of intangible assets	9	-	(2,123,913)
Net cash flows from investing activities		**(125,874,244)**	**(143,501,362)**
Cash flows from financing activities			
Finance lease payments		(50,898)	-
Interest on reserves capitalized		147,414	147,330
Net cash flows from financing activities		**96,516**	**147,330**
Net increase in cash and cash equivalents		**(76,908,926)**	**(45,716,941)**
Cash and cash equivalents at the beginning of the year		208,807,883	254,524,824
Cash and cash equivalents at the end of the year	3&4	**131,898,957**	**208,807,883**

ACCOUNTING OFFICER'S RESPONSIBILITYAND 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 have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the 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 endeavors to minimize 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 loss.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2025 and, in light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the municipality for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The annual financial statements set out on pages 6 to 88, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2025 and were signed on its behalf by:

COMPONENT D: OTHER FINANCIAL MATTERS

a) Maintain alignment between the IDP, PMS and Budget Process

b) That monthly monitoring of SDBIP's and Capital Program through presentation conducted to the respective Portfolio Committees be a standing item.

c) That the financial system and performance management system be tightly aligned to ensure accurate and clear performance reports are prepared and submitted for the understanding of all stakeholders.

d) Monitoring and evaluation be strengthened were PMS, M, E & R Unit conduct monthly consultation verification meetings at least a month before the end of the quarter, and obedience to the timeframes that are as per the process plan.

e) Department to take ownership of cascading PMS to lower levels, and OPMSMER Unit to assist and report through all structures of the municipality, Top Manco, Manco, Departmental Meetings, Portfolio, Council and Executive Council.

CHAPTER 6

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 the selected key performance area and on the municipality's compliance with selected requirements in key legislation.

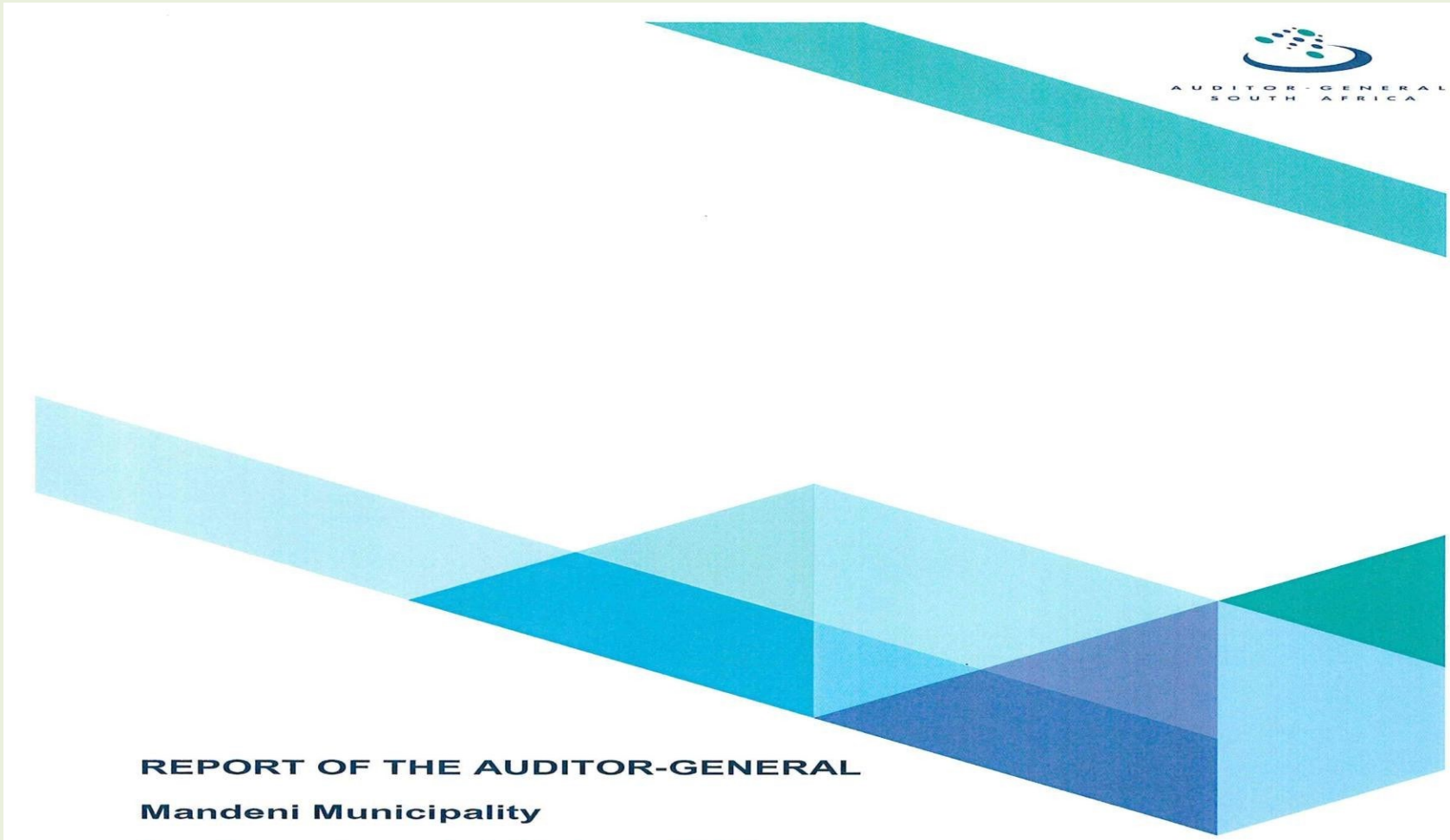
FINANCIAL STATEMENTS

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 on the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern

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



REPORT OF THE AUDITOR-GENERAL

Mandeni Municipality

For the year ended 30 June 2025

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Mandeni Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information 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 Mandeni Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the 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.

Contingencies

7. As disclosed in note 47 to the financial statements, the municipality is the defendant in litigation on multiple cases. The outcome of these matters was not determinable at year-end and no provision for any liability that may result was made in the financial statements

Material Impairments

8. As disclosed in note 5.1 to the financial statements, the municipality reported material impairments of R70,77 million (2023-24: R62,17 million) on receivables from exchange transactions as the recoverability of these amounts was doubtful.

9. As disclosed in note 5.2 to the financial statements, the municipality reported material impairments of R35,16 million (2023-24: R33,40 million) on receivables from non-exchange transactions as the recoverability of these amounts was doubtful.

10. As disclosed in note 5.3 to the financial statements, the municipality reported material impairments of R94,75 million (2023-24: R80,69 million) on statutory receivables as the recoverability of these amounts was doubtful.

Other matters

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

Unaudited disclosure notes (MFMA 125)

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

Responsibilities of the accounting officer for the financial statements

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

14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 9, forms part of my auditor's report.

Report on the audit of the annual performance report

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

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

Key performance area	Page numbers	Purpose
Basic service delivery	Technical services 261-327 CSPS 328-351 EDPHS 367-380	Improve access to all infrastructure and services.
	AFS 657-662	

19. I evaluated the reported performance information for the selected key performance area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

20. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

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

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

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

Other matters

I draw attention to the matters below.

Achievement of planned targets

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

24. The table that follows provides information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 300 to 321.

Key performance area: Basic service delivery

Targets achieved: 84%
Budget spent: 93%

Key service delivery indicator not achieved	Planned target	Reported achievement
KPI no.6 Percentage of completion of rehabilitation of 0.99km Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase 1, by 30 June 2025	100%	71%
KPI no.10 Percentage of practical completion for the construction of a sports field and combo court in Hlomendlini, Ward 4 by 30 June 2025	100%	35%
KPI no.11 Percentage of completion of the extension of Mechanical phase 2 in ward 3 by 30 June 2025	25%	0%

Targets achieved: 84% *Budget spent: 93%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
KPI no.34 Percentage of completion of planning of construction of new office block in ward 3 to practical completion by 30 June 2025	100%	0%
KPI no.36 Date of completion of final design of pedestrian bridges in ward 10, 16 and 17 by 30 June 2025	30-June-2025	Not achieved
KPI no.38 Date of completion of the Construction of the Mechanical Workshop and Office Block in ward 3 by 31 March 2025	31-March-2025	Not achieved

Material misstatements

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

Report on compliance with legislation

26. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

27. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

28. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

Expenditure management

30. Reasonable steps were not taken to prevent irregular amounting to R5,80 million as disclosed in note 51 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

31. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R31,31 million, as disclosed in note 52 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

Annual financial statements

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

Oversight and Governance

33. The Internal Audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to risk management, as required by section 165(2)(b)(iv) of the MFMA.

34. The Internal Audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to performance management, as required by section 165(2)(b)(v) of the MFMA.

Other information in the annual report

35. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected key performance area presented in the annual performance report that have been specifically reported on in this auditor's report.

36. My opinion on the financial statements, 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.

37. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected key performance area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Internal control deficiencies

39. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
40. The matters reported below are limited to the significant internal control deficiencies that resulted in and the material findings on compliance with legislation included in this report.
41. Controls and processes including reviews over financial reporting were not effectively implemented by senior management in specific areas, which resulted in material adjustments impacting non-compliance.
42. The accounting officer did not exercise oversight responsibility regarding the prevention of unauthorized and irregular expenditure.
43. Leadership did not provide adequate oversight and monitoring to ensure that action plans were effectively implemented to fully address previous findings on the financial statements and compliance with legislation.

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.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
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), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 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), Sections: 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), 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), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a),56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1),96(b)

Legislation	Sections or regulations
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 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: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 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)

MANDENI MUNICIPALITY AUDIT ACTION PLAN

No.	AUDIT QUERY	ROOT CAUSES	RECOMMENDATIONS	MANAGEMENT ACTION PLAN	TARGET DATE	RESPONSIBLE PERSON	PROGRESS TO DATE BY MANAGEMENT	AUDIT OBSERVATIONS	STATUS
A	**EXPENDITURE MANAGEMENT**								
1	**Irregular expenditure and Unauthorized expenditure not prevented** **A) Irregular expenditure not prevented** Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The value of R 2 850 933 (2023/24: R6,259,527), as disclosed in note 51. The majority of the disclosed irregular expenditure was caused by non-	• There was a misinterpretation of Section 67 of the MFMA regarding transfers to organizations and bodies outside government. Management initially believed compliance was achieved under Section 67; however, when National Treasury issued Circular 131, which provided more detailed guidance, it became	• Management should implement compliance monitoring controls over procurement processes and transfers to external entities. Specifically: • The CFO and SCM Manager should establish a formal compliance checklist aligned with National Treasury Circular	1. The municipality will ensure that sponsoring of festivals/events follows the process outlined in the MFMA Section 67 and Circular No.131 for Funds Transferred by Municipalities to Organizations and Bodies Outside the Government. 2. The following service providers can no longer be issued any services by SCM: - *TL ENGINEERING CONSULTANTS* - *ISIVIVANE ENGINEERS* - *TPA CONSULTING*	Already implemented- on going. Quarterly - on going Immidiately Immidiately Quarerly - On going	SCM Manager/CFO SCM Manager Manager Budget/CFO SCM Manager CAE			

	compliance with circular 131 of the MFMA, which provides guidance on the transfer of municipal funds to organizations and bodies outside of government. ***- Irregular expenditure disclosed by management*** *This expenditure relates to the* ***transfers to organizations and bodies outside government*** *amounting to R2 450 000.00* ***- Irregular expendture identified by the Auditor-General during***	evident that prior transactions did not meet the prescribed requirements. This lack of clarity and delayed understanding of the regulatory framework led to inadequate oversight and monitoring, causing non-compliance. • Lack of properly completed tender evaluation checklists as required by the municipality's SCM policy • The BAC	131 and Section 67 of the MFMA. • Implement training and awareness programs for relevant officials to reinforce compliance with the applicable legislations. • Conduct continuous and proactive assessments of transactions to detect potential irregular expenditure before payments are	*- ABAZINGELI CIVILS (PTY) LTD* *- SIST ENGINEERS (PTY) LTD* *- VANGISA PROJECTS* *- ASANDE PROJECTS* *- AFRICOAST JBFE PROJECT MANAGERS* *3. BEC and BAC checklist must be updated to include the verification of both company and director's municipal statements of account.* 4. Internal audit scope to include the review of the processes followed when establishing the panel of consultants and service providers.					

	the audit *i.* ***Tax non-compliant at date of award*** *amounting to R266 129,04 awarded to Africost JBFE Project Managers (ESTABLISHMENT FOR PANEL OF CONSULTANTS FOR CIVIL AND BUILDING PROJECTS FOR PERIOD OF THREE YEARS)* *ii.* ***Bidder did not provide municipal rates*** *either for the company or directors for Abazingeli Civils (Pty) Ltd & TPA Consulting) amounting to R512 138 (ESTABLISHMENT FOR PANEL*	and BEC did not review the tax status of the supplier as per the requirements of the SCM checklist prior to the evaluation and awarding of the contract to ensure that contracts are only awarded to suppliers who are tax compliant. • Lack of effective controls to ensure mandatory requirements are verified before awarding bids.	processed. • Strengthen Budget Planning and Forecasting: Incorporate actuarial valuations, asset lifecycle projections, and operational expansion plans into the budgeting process. Engage relevant departments early in the budget cycle to ensure all foreseeable costs are accounted for.	5. The municipality will review budget during mid-year budget performance assessment and adjust budget by maximizing revenue and reducing expenditure which will ensure that Council approves realistic budget estimates.					

	OF CONSULTANTS FOR CIVIL AND BUILDING PROJECTS FOR PERIOD OF THREE YEARS) *iii. Suppliers in service of the state amounting to R46 980. The affected suppliers are BSK Occupational Health Services & Yani Manguni Holdings* *iv) Reasons for deviation not justifiable amounting to R94 472. The affected supplier is Beka Schreder* ***B) Unauthorsed expenditure***	• Inadequate oversight by the Bid Evaluation and Adjudication Committees to enforce disqualification rules. • Inadequate contract management and supplier performance monitoring led to delayed detection of non-compliance • Inadequate budget planning, forecasting and insufficient real-time monitoring	• Implement Real-Time Budget Monitoring Tools: Introduce automated systems for tracking expenditure against budget allocations, with alerts for variances. This will enable timely corrective actions and improve financial discipline. • Enhance Interdepartmental Coordination: Establish formal						

	not prevented *The municipality incurred unauthorized expenditure in the current year amounting to R31 310 406 (2023/24: 8 672 326). This amount is disclosed in note 52.* *- R16 816 493 was disclosed in the AFS by management and was written-off by Council* *- R14 493 913 was identified by the Auditor-General during the audit.*	of expenditure against budget. This resulted in delayed detection and response to overspending trends. Furthermore, variance analysis was not performed regularly or not acted upon effectively. • Operational decisions: such as fleet expansion, infrastructure development, and service delivery enhancement were made without	channels for communication between finance, operations, and service delivery units to ensure alignment of strategic decisions with financial capacity. • Develop Contingency and Risk-Based Budgeting: Allocate contingency funds for unpredictable or urgent expenditures such as fuel price fluctuations,						

		adequate financial coordination, leading to unplanned costs that exceeded budget allocations.	infrastructure needs, and emergency repairs. Improve Debt and Application • Management Controls: Strengthen the review and approval process for applications that impact financial reporting. Implement tracking systems to monitor compliance and ensure timely resolution of outstandin						

			g documentation. • Conduct Regular Training and Awareness : Provide training for budget holders and operational managers on financial controls, MFMA compliance, and the importance of accurate forecasting						

B	**SUPPLY CHAIN MANAGEMENT PROCESSES**								
2	**Irregular expenditure incorrectly disclosed as deviations** In the prior year, the municipality's SCM policy, paragraph 12(6), exempts certain goods and services from competitive bidding, such as: • Price-regulated items (e.g., fuel/gas), • Services provided by manufacturing agents or accredited entities (e.g., vehicle repairs outside factory	Lack of controls to ensure proper classification of transactions under SCM policy exemptions.	• Correct Classification: Ensure that transactions processed under SCM policy exemptions are disclosed as irregular expenditure in the AFS, not as deviations. Strengthen Review Controls: • Implement a formal review process for AFS disclosures to verify	1. The irregular expenditure incurred between 01 July 2024 to 30 November 2024 will be reported to Council and it will be recommended that Council refer this irregular expenditure to MPAC for investigation.	31-Jan-26	SCM Manager			

	warranty), • Training by other organs of state, • Repairs to radios and repeaters, • Software systems (e.g., Sage Pastel, Microsoft), • Meal vouchers for standby staff, • Certified local taxi associations with route permits. We identified that the municipality has exempted goods and services listed in paragraph 12(6) of their SCM policy from following the procurement and the deviations		complianc e with SCM regulations and prior audit findings. • Monitoring and Accountabi lity: Establish a mechanis m to track and monitor the implement ation of audit recommen dations, including periodic reporting to senior manageme nt and the audit committee .						

	process as detailed in the SCM policy and this was not in line with the SCM regulations. In the current year we noted that transactions listed above processed between July 2024 and November 2024 management processed using deviation forms and disclosed as deviations retrospectively, despite the prior year finding indicating these should be treated as irregular expenditure.								

3	**Awards made to persons whose tax matters were not in order** The following award in establishment of panel of consultants for civil and building projects for a period of 3 years was made to a bidders whose tax matters at the time of award was not tax compliant. - Africost JBFE - Isivivane Engineers - Asande Projects It was noted that the award to AFRICOAST JBFE PROJECT MANAGERS	• The BAC and BEC did not review the tax status of the supplier as per the requirements of the SCM checklist prior to the evaluation and awarding of the contract	• Proper control processes should be implemented at the tender evaluation and adjudication stages of the award process to ensure that bidders meet requirements of legislation before awards are made to them. Such control processes must include properly completed tender evaluation and tender adjudication	1. The following service providers can no longer be issued any services by SCM: *- ISIVIVANE ENGINEERS* *- AFRICOAST JBFE PROJECT MANAGERS* *- ASANDE PROJECTS* 2. BEC and BAC checklist must be updated to include the verification of both company and director's municipal statements of account. 3. Internal audit scope to include the review of the processes followed when establishing the panel of consultants and	Immidiatel y Immidiatel y Quartely - On going	Manager SCM Manager SCM CAE			

	were made for an amount of R266 194 and tax matters at the time was not tax compliant. No work had been allocated to Isivivane Engineers and Asande Projects during 2024/25 financial year.		checklists as required by the municipality's own SCM policy. • The CFO should review all other awards to identify any similar instances of non-compliance. Any expenditure incurred from these awards must be disclosed as irregular expenditure. All adjustments made should be presented to the auditors	service providers.					

			with supporting evidence for further review.						

4	**Suppliers in service of the state** In the prior audit (Communication of Finding 01 of 2024, dated 6 November 2024), we reported instances where suppliers were identified as persons in the service of the state. In the current year, Computer-Assisted Audit Techniques (CAATS) were performed, and the following suppliers were again identified as being in the service of the state and were awarded contracts during the year	• The Municipality relies on the CSD to verify whether directors of companies are in the service of the state or not. At times, the CSD can miss some individuals or not update immediately after they are employed or resigned from state employment . • The Auditor-Gerneral uses CAAT's system to identify these directors.	• Record these awards as irregular expenditure in the financial records and disclose them in the Annual Financial Statements, including details of remedial actions taken, as required by MFMA Circular 68. • Develop and enforce a procedure aligned with MFMA Circular 62, which includes: §	1. The Office of the Municipal Manager will write to the service providers and inform them of their transgressions and the implications thereof	31-Jan-26	Manager SCM			

	under review. - BSK Occupational Health Services - Yani Manguni Holdings		Immediate suspension of contracts where false declarations are detected; § Recovery of payments made to such suppliers; § Reporting to Council and inclusion in the Annual Report; § Initiating disciplinary and criminal proceedings where applicable. • Conduct regular training for SCM and finance officials on						

			compliance requirements under SCM Regulation 45, MFMA Circular 62, and irregular expenditure reporting obligations. • Include compliance with SCM Regulation 45 and MFMA Circular 62 in the internal audit plan and perform quarterly reviews to detect and prevent non-compliance.						

5	**Non-compliant bidders awarded - bidders who did not provide municipal rates** The following awards in establishment of panel of consultants for civil and building projects for a period of 3 years were made to a bidders who did not provide municipal rates either for the company or directors - **TPA Consulting amounting to R247 714,85** - *Bidder did not provide municipal rates*	Inadequate oversight by the Bid Evaluation and Adjudication Committees to enforce disqualification rules.	• Enforce Mandatory Criteria: Ensure all bids are evaluated strictly against the criteria stated in the tender documents and disqualify non-compliant bidders. • Implement Compliance Checklist: Complete in full the BAC and BEC checklist for bid evaluations to confirm compliance with all	1. The following service providers can no longer be issued any services by SCM: - *TL ENGINEERING CONSULTANTS* - *ISIVIVANE ENGINEERS* - *TPA CONSULTING* - *ABAZINGELI CIVILS (PTY) LTD* - *SIST ENGINEERS (PTY) LTD* - *VANGISA PROJECTS* - *UPHAWU CONSULTING* 2. BEC and BAC checklist must be updated to include the verification of both company and director's municipal statements of account.	Immidiately Immidiately Quartely - On going	Manager SCM Manager SCM CAE			

	for the company. - **Abazingeli Civils (Pty) Ltd amounting to R264 424,09** - *Bidder did not provide municipal rates for director.*		mandatory requirements before award. • Oversight and Monitoring: Introduce a review process by SCM compliance officers before finalizing awards to confirm adherence to mandatory requirements. • Disclosure and Reporting: Record payments to non-compliant suppliers as irregular	3. Internal audit scope to include the review of the processes followed when establishing the panel of consultants and service providers.					

			expenditure and disclose in the Annual Financial Statements as required by MFMA.						

6	**Reasons for deviation not justifiable** During the audit, it was determined that the supplier listed below was appointed through a deviation, justified on the basis of an emergency. **Supplier : Beka Schreder Description : Supply and Deliver LED driver for 60W streetlight fitting Award amount : R94 472.00** Although the municipality relied on emergency reasoning to	The urgency resulted from insufficient monitoring and oversight rather than an unforeseeable event. This indicates weaknesses in contract management and supplier performance monitoring.	Management should improve the review of the request for deviation by utilising the SCM compliance checklist in order to confirm that the reasons for deviations are valid and compliant with the applicable laws and regulations, prior to the approval thereof. Management should disclose the above award as irregular	1. Management will improve the review of the request for deviation by utilising the SCM compliance checklist in order to confirm that the reasons for deviations are valid and compliant with the applicable laws and regulations, prior to the approval thereof.	On going	HOD, Manager SCM, CFO & MM			

	justify the deviation, the circumstances indicate that the urgency was avoidable and was not an emergency as defined. The purchase order was issued in March 2025, and partial delivery occurred only at the end of May 2025; indicating that the situation was not unexpected. Management had nearly two months to monitor the supplier's performance and verify pricing and capability; however, these checks were not performed. The inflated		expenditure.						

	pricing and failure to place an order with the manufacturer point to inadequate oversight rather than an unforeseen event. The lack of timely follow-up created urgency, making the deviation justification not reasonable and not fully compliant with the emergency criteria. Instead of going directly to the manufacturer, management should have requested quotations from at least three suppliers as per SCM								

	policy, this would ensure compliance with MFMA principles of fairness, transparency, and cost-effectiveness.								
C	**ANNUAL FINANCIAL STATEMENTS**								

7	**Incorrect computation of Cash-flow statement line items** During the audit of the Statement of Cash Flows, it was noted that cash receipts from sales of goods and services were calculated using net receivable balances without adjusting for the allowance for impairment. The allowance for impairment is a non-cash item and should be reversed to arrive at the gross amount, in line with GRAP 2 requirements,	Cash Flow Statement under cash receipts from sales of goods and services were calculated using net receivable balances without adjusting for the allowance for impairment, whereas GRAP 2 Par .19 states that: An entity shall report cash flows from operating activities using the direct method, whereby major classes of gross cash	management should: • Review and update the methodology for calculating cash receipts to ensure compliance with GRAP 2, including reversing non-cash items such as impairment allowances. • Implement a reconciliation on process to verify that adjustments for debt impairment are	a) Management will ensure compliance with GRAP 2, including reversing non-cash items such as impairment allowances. b) Implement a reconciliation process to verify that adjustments for debt impairment are correctly classified and limited to relevant categories. c) Training will be provided to finance staff on GRAP 2 requirements for cash flow reporting and strengthen internal review controls before submission.					

	which stipulate that gross amounts must be used in the calculation. Furthermore, the adjustment made for receipts from taxation for debt impairment included the full amount of R27 503 833, which comprised receivables from both exchange and non-exchange transactions, rather than isolating the relevant portion. The calculation of Grants and Subsidies received was overstated by R1 284 411.	receipts and gross cash payments are disclosed.	correctly classified and limited to relevant categories. • Provide training to finance staff on GRAP 2 requirements for cash flow reporting and strengthen internal review controls before submission. • Management should ensure that movements in payables related to PPE are appropriately adjusted in	d) A review process will be introduced to reconcile figures disclosed.					

	This amount relates to a principal-agent receipt for a project within the municipality, which was fully expended during the financial year. However, the corresponding cash outflow was not reflected in the Statement of Cash Flows, resulting in a misalignment between inflows and outflows. Additionally, the calculation for the cash-flow from Purchase of Property Plant and Equipment (PPE) did not adjust for the movement of		the calculation of cash flows for PPE purchases. Implementing a review process for cash flow statement preparation can help identify and correct such omissions before finalization.						

	R2 286 638 for payables relating to PPE that are included in payables, resulting in an understatement of the cash-flow from Purchase of Property Plant and Equipment (PPE) amount. Moreover, the calculation of changes in working capital for receivables from exchange transactions included an adjustment for Bad debts written off of an amount of R10 695 563. This amount has already been accounted for in the gross and net balances of the receivables								

	amount therefore need not be adjusted for again in the calculation of the changes in working capital. The calculation of cash receipts from taxation was misstated due to the inclusion of an amount of R10 695 563 for irrecoverable debts written off. This amount relates to service charges for electricity and not to taxation, levies, or fines and therefore should not be included. Lastly, the calculation of changes in working capital for receivables								

	from non-exchange transactions did not account for a prior period error of R798 683 that management processed in the current year for the comparative period.								

8	**Misstatements in the disclosed unauthorised expenditure** 1. **Unauthorised expenditure per expenditure category** We noted differences in calculation of unauthorised expenditure per expenditure category compared to the AFS 2. **Unauthorised expenditure per vote** We noted that management did not calculate and disclose unauthorised expenditure per vote, as	• Lack of proper review of MFMA requirements regarding unauthorised expenditure calculation and disclosure. • Inadequate monitoring controls over budget compliance and reporting.	• The CFO should recalculate unauthorised expenditure per vote in line with MFMA requirements. • Update the disclosure note in the annual financial statements to accurately reflect unauthorised expenditure per vote and category. • Submit the unauthorised expenditure report to						

	required by MFMA. This resulted in understatement of unauthorised expenditure by R14 493 913		Council for investigation and appropriate action, as required by MFMA. • Implement review controls to ensure compliance with legislative disclosure requirements in future reporting periods.						

9	**Misclassification of Interest and inadequate/Pervasive omission in Impairment disclosure** **A. Misclassification of Interest (Violation of GRAP 9.07 & GRAP 104/108 Principles)** The municipality has aggregated all interest revenue into a single Interest line item under Receivables from non-exchange transactions (Gross balance R38.238 million) and impaired it using the non-exchange	• Failure to keep up with the latest Standards of GRAP and their specific, detailed disclosure requirements. Incorrect interpretation of the complex and principle-based requirements in certain standards • The accounting system and debt management processes do not track and report the key indicators and assumptions (e.g., expected	Enhanced Training and Competency: The municipality's finance department should undergo mandatory and regular training on the application of all relevant GRAP standards and its updates, with a particular focus on the correct classification of assets and liabilities under GRAP 104 and GRAP 108. Treasury	1. Engage the Financial System Service provider to accurately recalculate and reclassify the interest for the subsequent reporting year, using the best data we have, taking into consideration the retrospective application of the said recalculation. 2. Start a project to fix our system so it tracks interest correctly by source in the future 3. Completely rewrite the notes to the	Medium-Term (Target: Q3 2025-26) Medium-Term (Target: Q3 2025-26) Before finalizing the 2024-25 Annual Financial Statements Medium-Term (Target: Q3 2025-26) Before	Manager Treasury CFO Manager Treasury CFO Manager Treasury			

	transactions impairment (R35.157 million). This violates the principle that interest must follow the underlying transaction. Interest accrued on Electricity and Waste Management debtors is interest on Exchange Receivables and should be classified and impaired under GRAP 104. By aggregating it, the municipality misclassifies Exchange interest as non-Exchange and subjects it to an impairment methodology	recovery rates per aging bucket) necessary to satisfy the quantitative disclosure requirements, forcing the financial statement preparers to omit the narrative. • With regards to misclassification of interest, the deficiency is system driven. This is due to changes in the specimen. In knowing the system limitation the finance unit/CFO failed to	manager must revise the notes to include the specific information required by the flagged paragraphs, including a detailed narrative on the key assumptions and methodologies used in the impairment calculation for both Exchange and Non-Exchange Receivables. Revise Accounting Policy and System	financial statements to include all missing disclosures about how we calculate and assess impairment. 4. Schedule mandatory training for the finance team on the relevant GRAP standards. 5. Reclassify Retention Payments: Move the retention payments from "Fines and Penalties" (non-exchange) to the appropriate "Exchange" category.	finalizing the 2024-25 Annual Financial Statements Before finalizing the 2024-25 Annual Financial Statements Before finalizing the 2024-25 Annual Financial Statements	CFO Manager Treasury			

	that may not be appropriate under GRAP 104's Expected Credit Loss model. **B. Omissions of Mandatory Impairment Disclosures (Violations of GRAP 108 and GRAP 104)** The disclosures fail to meet several specific mandatory quantitative and qualitative requirements: **C. Other Accounting policy misstatement** 1. The municipality included retention payments under non-	implement manual controls to ensure adherence to GRAP • The system processing of interest revenue is flawed, aggregating revenue from different GRAP classifications, which the AFS review process failed to correct. • There is a vigorous AFS review process in place, however due to the timing of the AFS	(Interest): Immediately mandate that interest revenue is tracked, classified, and impaired strictly according to the underlying principal (Exchange interest with Exchange debtors, non-Exchange interest with Statutory debtors). Misclassification or omission represents an error in the application	6. Revise Accounting Policies: Update the accounting policy note to clearly distinguish between the measurement of Statutory Receivables (using the cost method per GRAP 108) and other financial assets. 7. Process necessary correcting journal entries for the reclassification.					

	Exchange transaction (Fines and penalties), retentions typically arise from exchange transactions (such as, construction or service contracts governed by GRAP 9). A forfeit occurs when a contractor fails to meet a contractual obligation. This gain for the municipality is directly linked to an exchange transaction, not a non-exchange transfer like a grant or tax. 2. Policy Inconsistency: The policy classifies "Receivables	review, there is insufficient time to ensure compliance with GRAP is fully implemented along with possible changes to specimen	of an accounting policy from a prior period, the correction should be applied retrospectively as per the requirements of GRAP 3 (Accounting Policies, Changes in Accounting Estimates and Errors), unless impracticable. This involves: • Restating the comparative amounts for the prior period(s) presented. • Restating						

	from non-exchange transactions" as a Financial asset measured at amortised cost. GRAP Requirement (GRAP 108): Receivables arising from legislation such as property rates are defined as Statutory Receivables and fall under the scope of GRAP 108. GRAP 108 specifically requires Statutory Receivables to be measured subsequently using the cost method, which is defined as the transaction amount, plus charges, less		the opening balances of assets, liabilities, and net assets for the earliest prior period presented. Finance unit/CFO/ Treasury manager should perform a manual reconciliation of interest classifications during the preparation of the Annual Financial Statements. Where precise figures are unavailabl						

	accumulated impairment losses and derecognised amounts, not necessarily the amortised cost using the Effective Interest Method (EIM).		e, reasonable estimates should be applied, supported by appropriate disclosure and professional judgment. Perform adequate reviews: Internal Audit should conduct comprehensive reviews of the financial statements and accompanying notes to ensure that the Annual						

			Financial Statements comply with the applicable accounting framework.						
D	**INTERNAL AUDIT**								

10	**Internal audit did not perform work on loss control, risk management and performance management** a) Contrary to the requirements, the audit revealed that the internal audit unit did not fulfill its responsibilities regarding loss control and risk management. Specifically: • Loss control was not included in the approved internal audit plan. • No audits or reports on loss control were performed during the year.	Compliance audits not adequately covered in the audit plan	The CAE should: • Incorporate loss control, risk management, and emerging risk assessments into the internal audit plan. • Perform and report on these areas regularly. • Advise the accounting officer and report findings to the Audit Committee. • The Audit Committee should	1. The internal audit plan for 2025/26 financial year will be revewed to include the review of loss control, risk management and performance management. 2. The revised audit plan will be presented to the audit committee for approval.	31-Jan-26 28-Feb-26	CAE CAE			

	• The internal audit unit did not advise the accounting officer or report loss control findings to the Audit Committee. • Risk and risk management were not included in the approved internal audit plan. • No audits or reports on risk and risk management were performed during the year. • The internal audit unit did not advise the accounting officer or report risk management findings to the Audit Committee. • Emerging		monitor compliance and ensure these responsibilities are executed effectively.						

	risks were not identified or reported. b) During the audit, it was noted that the internal audit plan does not include testing the operational effectiveness of the performance management system for the collection, processing, and reporting of performance data.								
	LEGENDS								
		RESOLVED							
		UNRESOLVE							

		D							
		IN PROGRESS/ ON-GOING							
		ACTION PLAN NOT DUE AS YET							

APPENDICES

APPENDIX A

(Councillors; Committee Allocation and Council Attendance)

COUNCILLORS

Councilors are elected by the local registered voters in terms of the local segment of the Voter's Roll to serve a predetermined term of office on the local council as representatives of their respective constituencies. Mandeni Local Municipality has a total of 35 seats. Eighteen (18) of these seats are allocated to ward councilors who are elected by each of the eighteen wards. Another seventeen (17) seats are allocated top parties through the proportional representation system of elections.

ALLOCATION OF COMMITTEES

Mandeni Local Municipality has five (5) Section 80 Committees established by Council. Each one of these committees is chaired by the members of Executive Committee, and the allocation is as follows:

A. ECONOMIC DEVELOPMENT AND HUMAN SETTLEMENT				
1.	**CLLR**	**SZ**	**MDLETSHE**	**ANC -Chairperson**
2.	**CLLR**	**MC**	**MKHALIPHI**	**ANC**
3.	**CLLR**	**S**	**NTULI**	**ANC**
4.	**CLLR**	**N**	**MPANZA**	**IFP**

5.	CLLR	F	GINA	IFP
6.	CLLR	N	KHUZWAZYO	EFF
7.	CLLR	SS	MDUNGE	ANC

B. INFRASTRUCTURE DEVELOPMENT TECHNICAL SERVICE				
1.	CLLR	ST	MAGWAZA	ANC -Chairperson
2.	CLLR	DGP	MTHEMBU	ANC
3.	CLLR	S	MTHEMBU	ANC
4.	CLLR	ST	THWALA	ANC
5.	CLLR	N	MPANZA	IFP
6.	CLLR	M	NCANANA	IFP
7.	CLLR	SJ	MATHONSI	AIC

C. LOCAL PUBLIC ADMINISTRATION HUMAN RESOURCE				
1.	CLLR	MS	MDUNGE	IFP -Chairperson
2.	CLLR	S	MABHIDA	ANC
3.	CLLR	N	NXUMALO	ANC
4.	CLLR	MB	NGIDI	ANC
5.	CLLR	SJ	MATHONSI	AIC
6.	CLLR	Z	NXUMALO	IFP
7.	CLLR	X	MATHONSI	ANC

D. FINANCE				
1.	CLLR	TP	MDLALOSE	ANC -Chairperson

2.	CLLR	CT	MHLONGO	ANC
3.	CLLR	NO	DLADLA	ANC
4.	CLLR	ME	NDWANDWE	EFF
5.	CLLR	N	NCUBE	IFP
6.	CLLR	LS	ZUNGU	IFP
7.	CLLR	MB	NGIDI	ANC

E. COMMUNITY SERVICES AND PUBLIC SAFETY				
1.	CLLR	BL	MAGWAZA	ANC -Chairperson
2.	CLLR	SS	MDUNGE	ANC
3.	CLLR	ST	THWALA	ANC
4.	CLLR	CL	MTHEMBU	ANC
5.	CLLR	SP	NAICKER	DA
6.	CLLR	ME	NDWANDWE	EFF
7.	CLLR	BA	KHUMALO	IFP

POLITICAL DECISION-TAKING

The Standing Rules and Orders of Council and various pieces of legislation including the Constitution of the Republic of South Africa provides for the processes of decision making by Council.

All issues pertaining to the matters listed below are dealt with by Council and the resolution passed through the supporting vote of the majority of members of Council:

a) Approval of Budget

b) The imposition of rates and taxes, levies and duties.

c) The passing of By-laws.

d) The raising of loans.

Other matters are delegated to the Executive Mayor in terms of Section 59 of the Municipal Systems Act. The Executive Mayor must report to Council on the execution of duties delegated to her. All other matters before Council are decided by the majority of votes cast in a particular meeting.

If on any matter there is an equality on votes cast, the Speaker exercise a casting vote in addition to that of him being a Councillor.

Before a Council passes a resolution on any of the following matters it shall first require the Mayor to play his executive role and submit a report and recommendation to the full sitting of Council.

a) The passing of By-laws

b) The approval of budgets

c) The imposition of rates

d) The raising of loans

e) The approval of the IDP and any amendments or reviews of this plan.

f) The appointment and conditions of service of the Municipal Manager and Managers directly accountable to the Municipal Manager.

g) And any other powers and functions as prescribed by various pieces of legislation.

APPENDIX B

COMMITTEES AND COMMITTEE PURPOSES

FINANCE PORTFOLIO COMMITTEE

CONSTITUTION:

1. Name and Status

The finance portfolio committee is a standing committee appointed in terms of section 80 of the Local Government: Municipal Structures Act, 1998 to assist the Executive Committee.

2. Membership

The committee shall consist of:

2.1 Chairperson appointed by council.

2.2 Seven (7) Councilors appointed by the council; and

2.3 The Mayor as a voting Ex-Officio member, please note here the Mayor is the chairperson.

3. Quorum

The quorum of the committee shall be not less than fifty percent [disregarding fractions] plus one (50% [disregarding fractions] +1) of current members (excluding the mayor).

4. Rules of Procedure

The Rules of Order of the council, insofar as they govern Committees, shall apply to the Committee.

5. Functions

5.1 The committee shall monitor, investigate, enquire into, and make recommendations to the Executive committee relating to any aspect affecting the Council in connection with the following functions:

(a) Budget and Reporting
(b) Revenue Management and Enhancement
(c) Expenditure Control
(d) Supply Chain and Contract Management
(e) Financial Management
(f) Anti-Corruption and Anti-fraud strategy

5.2 The committee shall also monitor, investigate, enquire into, and make recommendations to the Executive Committee on any other matter referred to it by the Executive Committee for such monitoring, investigations or enquiry.

5.3 In carrying out its functions the committee:

5.3.1 Shall at all times ensure that it complies with all requirements of law in regards to public participation, the receipt of evidence or representation and similar matters.
5.3.2 Shall, subject to paragraph 4 hereof, determine the extent, nature and form of its proceedings.

6. Standing Authorities

6.1. Without derogation from the afore going and subject to the provisions of any law, the Committee is authorized to advise, from time to time, the Executive Committee and any Employee to whom specific powers have been delegated on:

6.1.1 Aspects of policy in respect of the functions of the Committee.
6.1.2 All bylaws, fees, tariffs which the council may enact or prescribe within the terms of reference of the committee.
6.1.3 Any legislation or proposed legislations falling within the terms of reference of the committee which the Council may adopt.
6.1.4 Any amendments to the terms of reference of the committee

7. General Policy Functions

The Committee may:

7.1 Appoint from within its own membership a sub-committee with powers to co-opt such other members as the sub-committee may deem fit, to consider and to report to the Committee on any matter falling within its terms of reference.

7.2 Refer to the Executive Committee for decision, with or without a recommendation, any matter falling within its terms of reference.

7.3 Consider all matters of a policy nature incidental to the above terms of reference and submit recommendations on such matters to the Executive Committee

COMMUNITY SERVICES AND PUBLIC SAFETY AND SECURITY PORFOLIO COMMITTEE

Constitution:

1 Name and Status

The Community Services and Public Services Portfolio Committee is a standing Committee appointed in terms of section 80 Local Government: Municipal Structures Act, 1998 to assist the Executive Committee.

2 Membership

The committee shall consist of:

2.1 Chairperson appointed by council.

2.2 Seven (7) Councilors appointed by the council; and

2.3 The Mayor as a voting Ex-Officio member.

3 Quorum

The quorum shall be not less than fifty percent (disregarding fractions) plus one (disregarding fractions) (50% + 1) of current members (excluding the Mayor).

4 Rules of Procedure

The Rules of Order of the Council, insofar as they govern Committees, shall apply to the Committee.

5 Functions

5.1 The Committee shall monitor, investigate, enquire into and make recommendations to the Executive Committee relating to any aspect affecting the Council in connection with the following functions:

(a) Libraries
(b) Museum
(c) Beach Amenities
(d) Marine Safety
(e) Sports and Recreation
(f) Verge Maintenance
(g) Cemeteries
(h) Pounds
(i) Emergency Services (Traffic and Fire)
(j) Security Services
(k) Disaster Management
(l) Communications
(m) Vehicle Licensing
(n) Trade Licensing
(o) General Law Enforcement
(p) Environmental Health
(q) Personal Health
(r) Youth Development Initiatives
(s) Gender Related Programme
(t) Programme of Children and Elderly
(u) Programmes Related to the Disabled Persons (Persons Living with Disabilities)
(v) Stakeholder Coordination (Operation Sukuma Sakhe)

(w) Programmes dealing with promotion of preventative measures on HIV/AIDS Coordinate Activities of Local Aids Council Coordination of programmes dealing with promotion of preventative measures on HIV/AIDS and other related programmes for those infected and affected
(x) Coordinate Activities of Local Aids Council.

5.2. The Committee shall also monitor, investigate, enquire into and make recommendations to the Executive Committee for such monitoring, investigations or enquiry.

5.3. In carrying out its functions the Committee

5.3.1 Shall at all times ensure that it complies with all requirements of law in regards to public participation, the receipt of evidence or representation and similar matters.
5.3.2 Shall, subject to paragraph 4 hereof, determine the extent, nature and form of its proceedings.

6. Standing Authorities

6.1. Without derogation from the afore going and subject to the provisions of any law, the Committee is authorized to advise, from time to time, the Executive Committee and any Employee to whom specific powers have been delegated on:

6.1.1 Aspects of policy in respect of the functions of the Committee.
6.1.2 All bylaws, fees, tariffs which the council may enact or prescribe within the terms of reference of the committee.
6.1.3 Any legislation or proposed legislations falling within the terms of reference of the committee which the Council may adopt.
6.1.4 Any amendments to the terms of reference of the committee

7. General Policy Functions

The Committee may:

7.1 Appoint from within its own membership a sub-committee with powers to co-opt such other members as the sub-committee may deem fit, to consider and to report to the Committee on any matter falling within its terms of reference.

7.2 Refer to the Executive Committee for decision, with or without a recommendation, any matter falling within its terms of reference.
7.3 Consider all matters of a policy nature incidental to the above terms of reference and submit recommendations on such matters to the Executive Committee

ECONOMIC DEVELOPMENT, PLANNING, COMMUNITY DEVELOPMENT & HOUSING PORTFOLIO COMMITTEE

Constitution:

1. Name and Status

The Economic Development, Planning, Community Development and Human Settlement Portfolio Committee is a standing committee appointed in terms of section 80 of the Local Government: Municipal Structures Act, 1998 to assist the Executive Committee.

2. Membership

The Committee shall consist of:

1. Chairperson appointed by Council.
2. Seven (7) Councilors appointed by the Council; and
3. The Mayor as a voting Ex-Officio member.

3. Quorum

The quorum of the Committee shall be not less than fifty percent [disregarding fractions] plus one (50% [disregarding fractions] +1) of current members (excluding the mayor).

4. Rules of Procedure

The Rules of Order of the Council, insofar as they govern Committees, shall apply to the Committee.

5. Functions

5.1 The Committee shall monitor, investigate, enquire into and make recommendations to the Executive Committee relating to any aspect affecting the Council in connection with the following functions:

(a) Town Planning
(b) Spatial planning
(c) Local Economic Development
(d) Community Development
(e) Environmental Conservation
(f) Building Control
(g) Integrated Development Plan
(h) Local Tourism
(i) Business Licensing and Business Development (SMMes) and Cooperatives)
(j) Agriculture Development
(k) Human Settlements and Housing (Including Housing Sector Plan)
(l) Implementation of Building Regulations and By-Laws
(m) Environment and Coastal Management
(n) Land Reform

5.2 The Committee shall also monitor, investigate, enquire into, and make recommendations to the Executive Committee on any other matter referred to it by the Executive Committee for such monitoring, investigations, or enquiry.

5.3 In carrying out its functions the Committee:

5.3.1 Shall at all times ensure that it complies with all requirements of law in regards to public participation, the receipt of evidence or representation and similar matters.

5.3.2 Shall, subject to paragraph 4 hereof, determine the extent, nature and form of its proceedings.

6 Standing Authorities

6.1. Without derogation from the afore going and subject to the provisions of any law, the Committee is authorized to advise, from time to time, the Executive Committee and any Employee to whom specific powers have been delegated on:

6.1.1 Aspects of policy in respect of the functions of the Committee.
6.1.2 All bylaws, fees, tariffs which the council may enact or prescribe within the terms of reference of the committee.
6.1.3 Any legislation or proposed legislations falling within the terms of reference of the committee which the Council may adopt.
6.1.4 Any amendments to the terms of reference of the committee

7 General Policy Functions

The Committee may:

7.1 Appoint from within its own membership a sub-committee with powers to co-opt such other members as the sub-committee may deem fit, to consider and to report to the Committee on any matter falling within its terms of reference.

7.2 Refer to the Executive Committee for decision, with or without a recommendation, any matter falling within its terms of reference.

7.3 Consider all matters of a policy nature incidental to the above terms of reference and submit recommendations on such matters to the Executive Committee

LOCAL PUBLIC ADMINISTRATION & HUMAN RESOURCES PORTFOLIO COMMITTEE

Constitution:

1. Name and Status

The Local Public Administration & Human Resources Portfolio Committee is a standing Committee appointed in terms of section 80 of the Local Government: Municipal Structures Act, 1998 to assist the Executive Committee.

2. Membership

The Committee shall consist of

1. Chairperson appointed by Council
2. Seven (7) Councillors appointed by the council; and
3. The Mayor as a voting Ex-Officio member

3. Quorum

The quorum of the Committee shall be not less than fifty percent (disregarding fractions) plus one (50 %) (disregarding fractions) + 1 of current members (excluding the Mayor).

4. Rules of Procedure

The Rules of Order of the Council, insofar as they govern Committees, shall apply to the Committee.

5. Functions

5.1. The Committee shall monitor, investigate, enquire into and make recommendation to the Executive Committee relating to any aspect affecting the Council in connection with the following functions:

(a) Local Public Administration with particular reference to Chapter 7 the Local Government: Municipal Systems Act, 2000.
(b) Human Resources.
(c) Labour Relations; and Employees Relations.
(d) Occupational Health and Safety.
(e) Performance Management.
(f) Information Technology.
(g) Municipal Administration and Auxiliary Services.
(h) Council Support.
(i) Policy Development.
(j) Public Participation and Ward Committee Coordination.
(k) Implementing resolutions taken by the LLF and HRDC.
(l) Communications.

5.2. The Committee shall also monitor, investigate, enquire into and make recommendations to the Executive Committee for such monitoring, investigations or enquiry.

5.3. In carrying out its functions the Committee

5.3.1 Shall at all times ensure that it complies with all requirements of law in regards to public participation, the receipt of evidence or representation and similar matters.
5.3.2 Shall, subject to paragraph 4 hereof, determine the extent, nature and form of its proceedings.

6. Standing Authorities

6.1. Without derogation from the afore going and subject to the provisions of any law, the Committee is authorized to advise, from time to time, the Executive Committee and any Employee to whom specific powers have been delegated on:

6.1.1 Aspects of policy in respect of the functions of the Committee.
6.1.2 All bylaws, fees, tariffs which the council may enact or prescribe within the terms of reference of the committee.
6.1.3 Any legislation or proposed legislations falling within the terms of reference of the committee which the Council may adopt.
6.1.4 Any amendments to the terms of reference of the committee

7. General Policy Functions

The Committee may:

a. Appoint from within its own membership a sub-committee with powers to co-opt such other members as the sub-committee may deem fit, to consider and to report to the Committee on any matter falling within its terms of reference.

b. Refer to the Executive Committee for decision, with or without a recommendation, any matter falling within its terms of reference.

c. Consider all matters of a policy nature incidental to the above terms of reference and submit recommendations on such matters to the Executive Committee

INFRASTRUCTURAL AND TECHNICAL SERVICES PORTFOLIO COMMITTEE

Constitution:

6. Name and Status

The Infrastructural and Technical Services Portfolio Committee is a standing committee appointed in terms of section 80 of the Local Government: Municipal Structures Act, 1998 to assist the Executive Committee.

7. Membership

The Committee shall consist of:

4. Chairperson appointed by Council;
5. Seven (7) Councillors appointed by the Council; and

6. The Mayor as a voting Ex-Officio member.

8. Quorum

The quorum of the Committee shall be not less than fifty percent (disregarding fractions) plus one (50%) (disregarding fractions) +1 of current members (excluding the Mayor).

9. Rules of Procedure

The Rules of Order of the Council, insofar as they govern Committees, shall apply to the Committee.

10. Functions

5.1. The Committee shall monitor, investigate, enquire into and make recommendations to the Executive Committee relating to any aspect affecting the Council in connection with the following functions:

(o) Water and Sanitation in conjunction with District Municipality
(p) Sewerage
(q) Roads
(r) Storm Water Drainage
(s) Electricity and Street lights
(t) Mechanical Workshops
(u) Fleet Management
(v) Cleansing & Waste Management
(w) Maintenance and Municipal Facilities
(x) Parks and Gardens
(y) Municipal Roads
(z) Maintenance of Municipal Facilities
(aa)-Management of Capital Equipment and Technical Service Fleet (bb)
Telecommunication

5.2 The Committee shall also monitor, investigate, enquire into and make recommendations to the Executive Committee on any other matter referred to it by the Executive Committee for such monitoring, investigations or enquiry.

5.3. In carrying out its functions the Committee

5.3.1 Shall at all times ensure that it complies with all requirements of law in regards to public participation, the receipt of evidence or representation and similar matters.

5.3.2 Shall, subject to paragraph 4 hereof, determine the extent, nature and form of its proceedings.

6 Standing Authorities

6.1. Without derogation from the afore going and subject to the provisions of any law, the Committee is authorized to advise, from time to time, the Executive Committee and any Employee to whom specific powers have been delegated on:

6.1.1. Aspects of policy in respect of the functions of the Committee.

6.1.2. All bylaws, fees, tariffs which the council may enact or prescribe within the terms of reference of the committee.

6.1.3. Any legislation or proposed legislations falling within the terms of reference of the committee which the Council may adopt.

6.1.4. Any amendments to the terms of reference of the committee

7 General Policy Functions

The Committee may:

7.1 Appoint from within its own membership a sub-committee with powers to co-opt such other members as the sub-committee may deem fit, to consider and to report to the Committee on any matter falling within its terms of reference.

7.2 Refer to the Executive Committee for decision, with or without a recommendation, any matter falling within its terms of reference.

7.3 Consider all matters of a policy nature incidental to the above terms of reference and submit recommendations on such matters to the Executive Committee

APPENDIX C

THIRD TIER ADMINISTRATIVE STRUCTURE (ORGANIZATIONAL STRUCTURE)

Mandeni Municipality Organisation Structure
KZN 291

MANDENI

MUNICIPALITY

P.O.BOX 144
MANDENI 4490

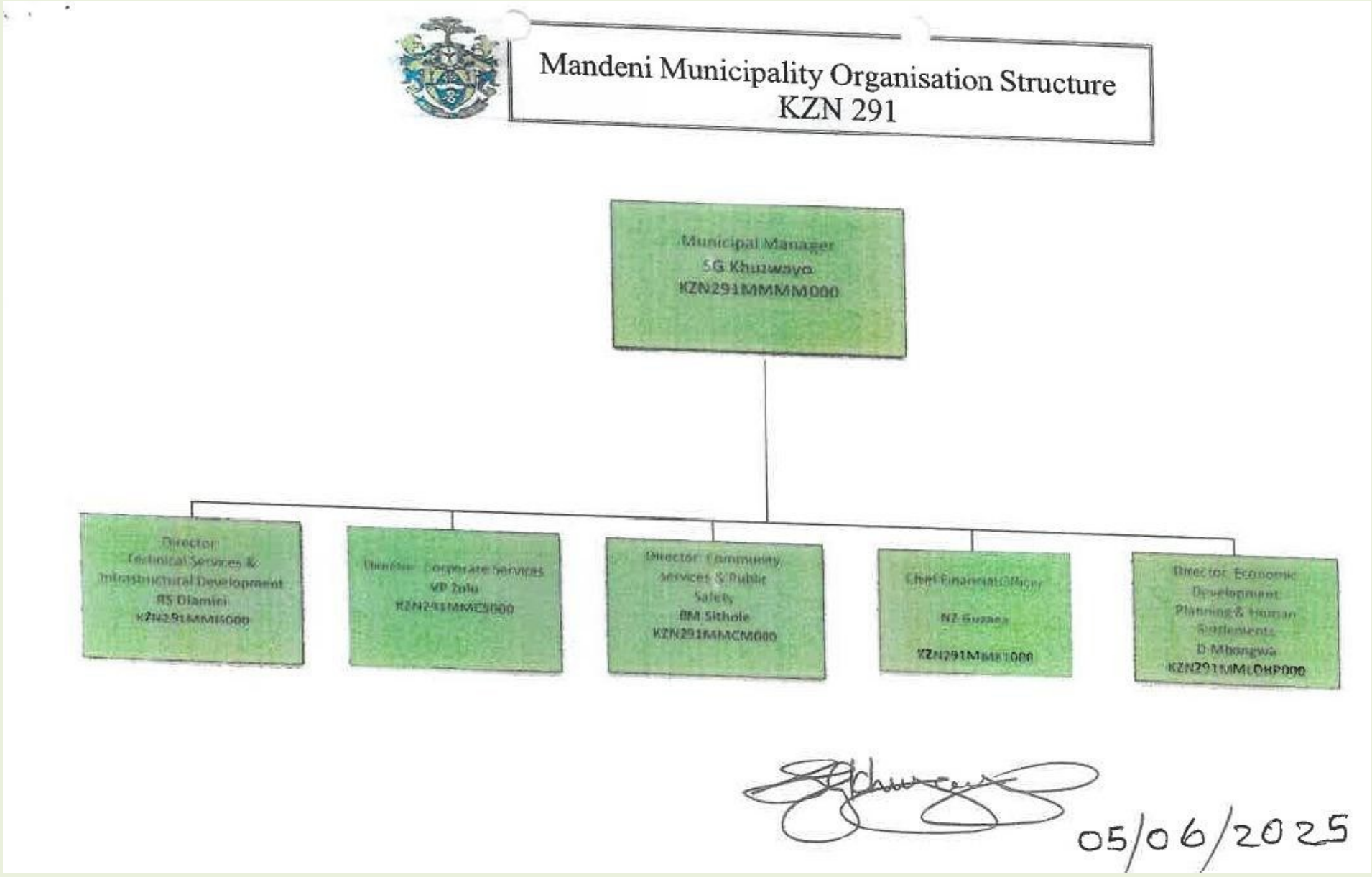
TELEPHONE: 032-4568200 **FAX: 032-4562567** **WEBSITE: www.mandeni.gov.za**

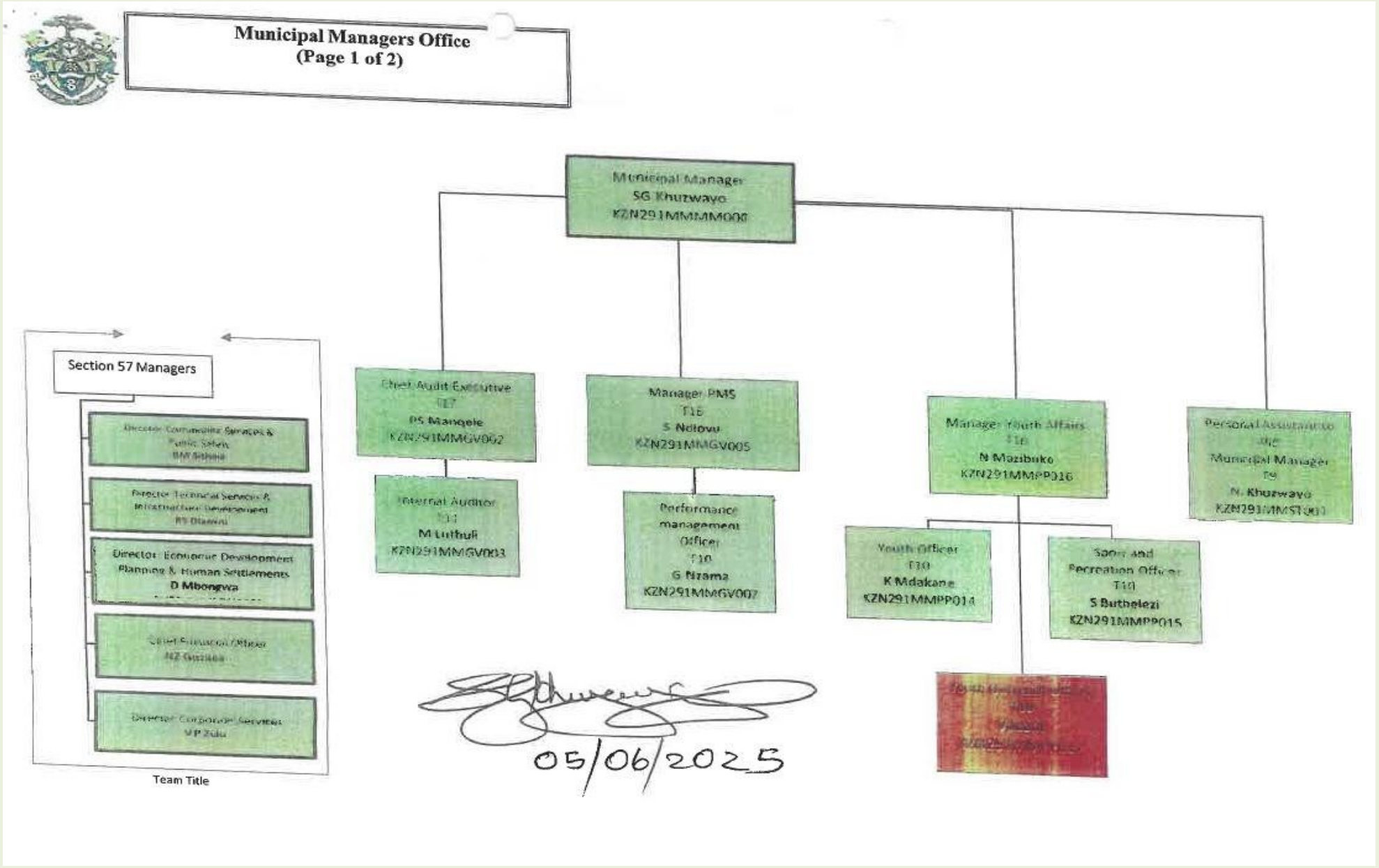
FINAL DRAFT ORGANISATIONAL STRUCTURE
2025/2026

05/06/2025

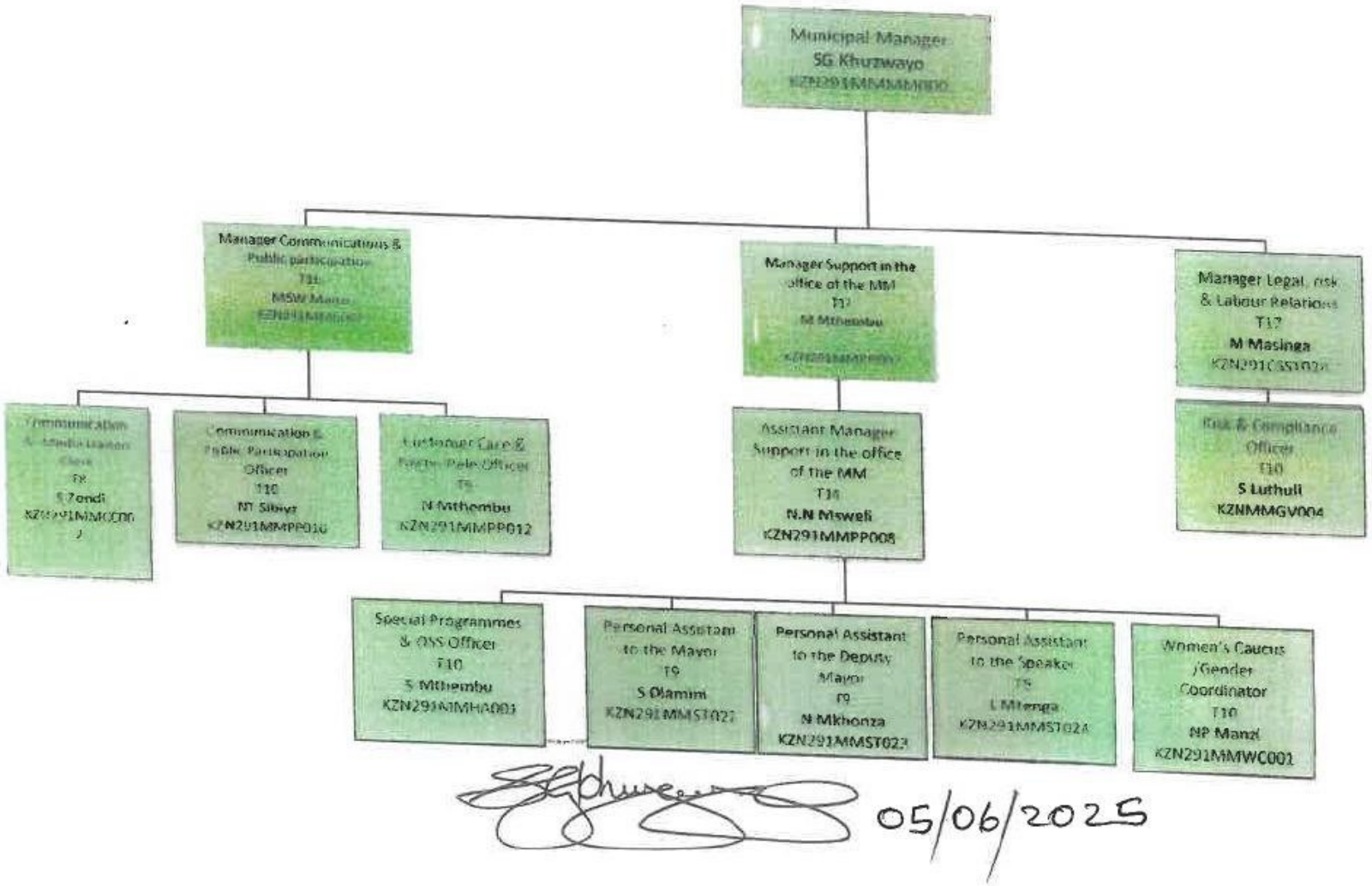
OCCUPIED/ FILLED		INTERNS (GRANT FUNDED)	OUTSOURCED
Green	Red	Yellow	No Colour

LEGEND

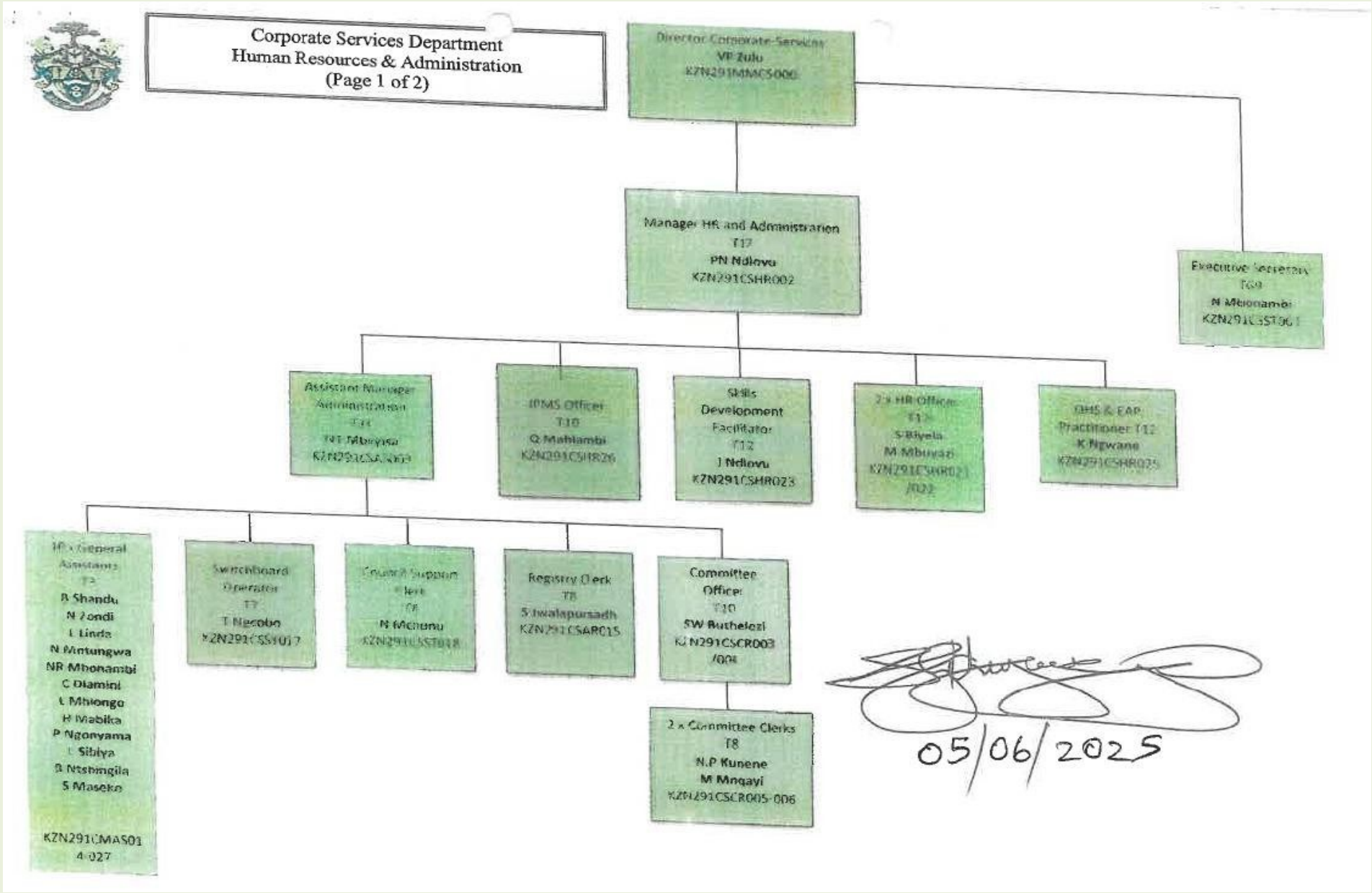

Mandeni Municipality Organisation Structure
KZN 291
Municipal Manager
SG Khuzwayo
KZN291MMMM000
Director
Technical Services &
Infrastructural Development
RS Dlamini
KZN291MMI5000
Director Corporate Services
VP Zulu
KZN291MMC5000
Director Community
Services & Public
Safety
BM Sithole
KZN291MMCM000
Chief Financial Officer
NZ Guzana
KZN291MMF1000
Director Economic
Development
Planning & Human
Settlements
D Mbongwa
KZN291MMLDHP000
05/06/2025


Municipal Managers Office
(Page 1 of 2)
Municipal Manager
SG Khuzwayo
KZN291MMMM000
Chief Audit Executive
T17
PS Mangele
KZN291MMGV002
Manager PMS
T16
S Ndlovu
KZN291MMGV005
Manager Youth Affairs
T16
N Mazibuko
KZN291MMPP016
Personal Assistant to the Municipal Manager
T9
N. Khuzwayo
KZN291MMST001
Internal Auditor
T13
M Luthuli
KZN291MMGV003
Performance management Officer
T10
G Nzama
KZN291MMGV007
Youth Officer
T10
K Mdakane
KZN291MMPP014
Sport and Recreation Officer
T10
S Buthelezi
KZN291MMPP015
Section 57 Managers
Director Community Services & Public Safety
BM Sibiya
Director Technical Services & Infrastructure Development
BS Dlamini
Director Economic Development Planning & Human Settlements
D Mbongwa
Chief Financial Officer
MZ Gazula
Director Corporate Services
VP Zulu
Team Title
05/06/2025

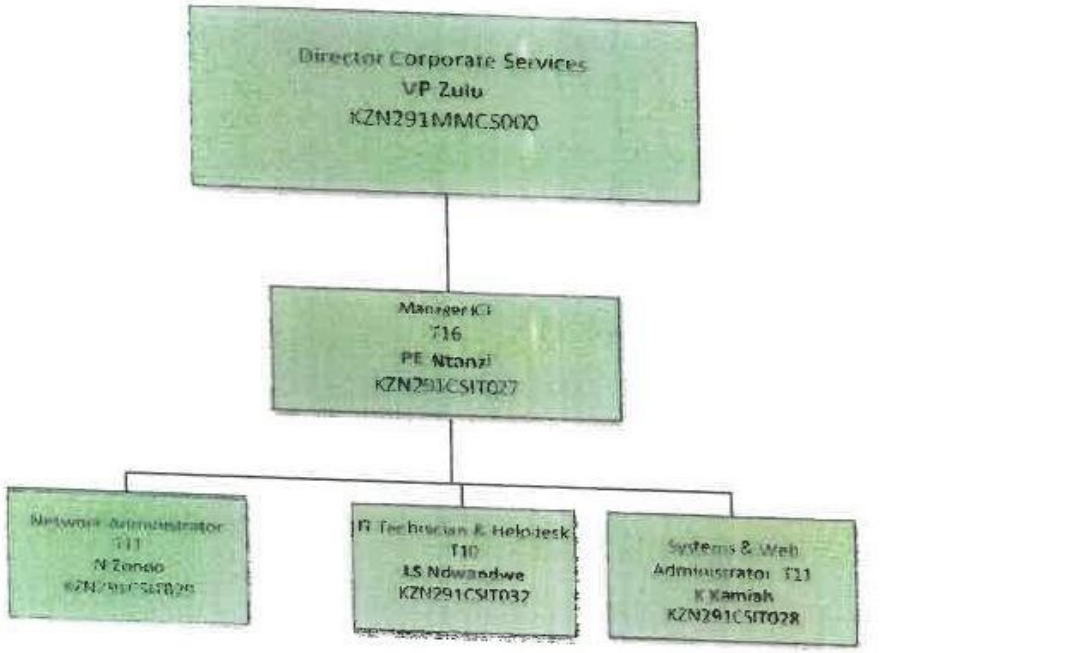
Municipal Manager's office
(Page 2 of 2)



05/06/2025

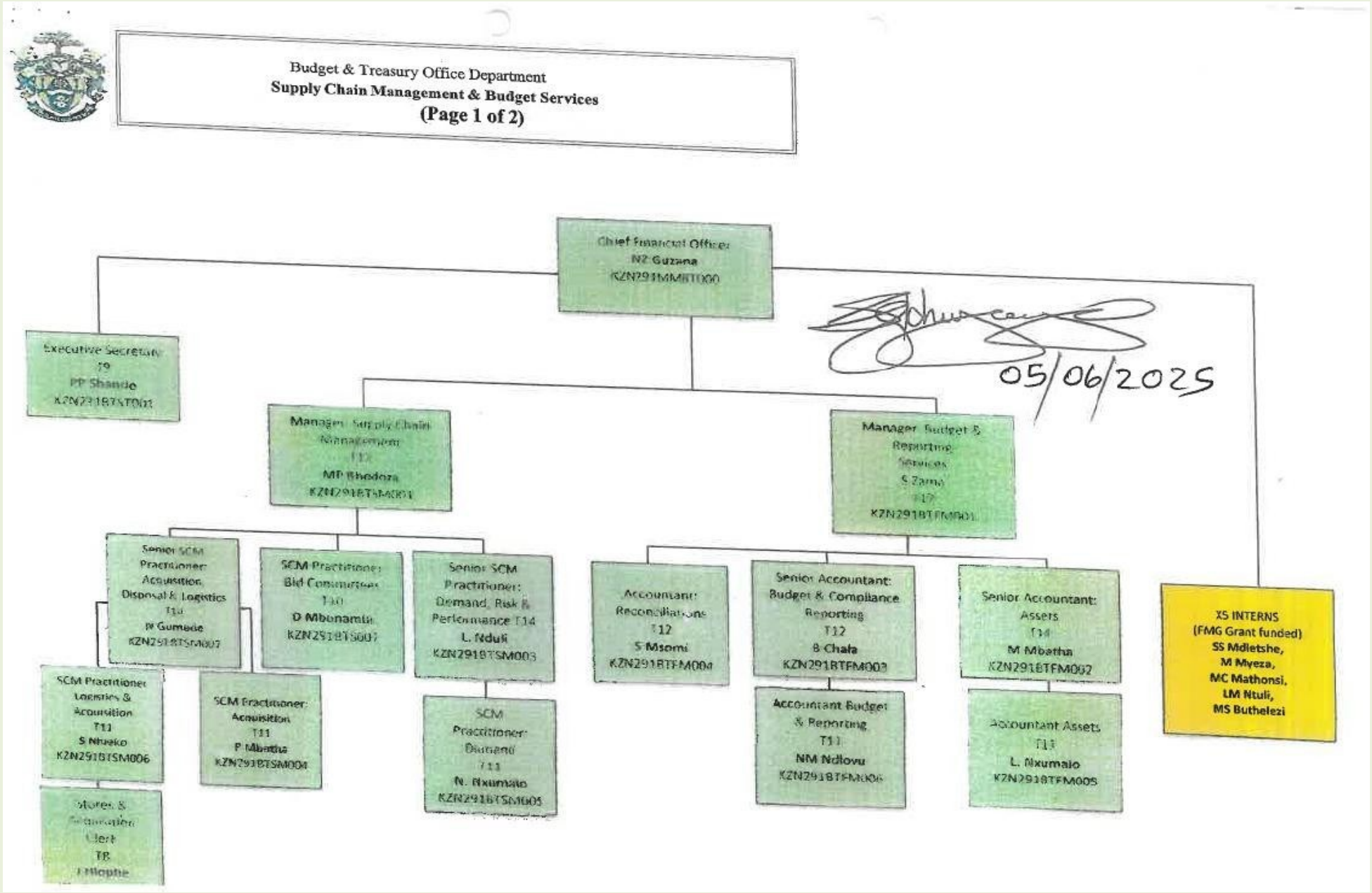

Corporate Services Department
Human Resources & Administration
(Page 1 of 2)
Director Corporate Services
VP Zulu
KZN291MMC5006
Manager HR and Administration
T17
PN Ndlovu
KZN291CSHR002
Executive Secretary
T09
N Mbonambi
KZN291CSST061
Assistant Manager Administration
T14
NT Mbeyisa
KZN291CSAR013
IDMS Officer
T10
Q Mahlambi
KZN291CSHR26
Skills Development Facilitator
T12
J Ndlovu
KZN291CSHR023
2 x HR Officer
T12
S Biyela
M Mbuyazi
KZN291CSHR021
/022
OHS & EAP Practitioner T12
K Ngwane
KZN291CSHR025
10 x General Assistants
T3
B Shandu
N Zondi
L Linda
N Mntungwa
NR Mbonambi
C Dlamini
L Mhlongo
H Mabika
P Ngonyama
L Sibiya
B Ntshingila
S Maseko
KZN291CMAS01
4-027
Switchboard Operator
T7
T Ngcobo
KZN291CSS1017
Council Support Clerk
T8
N Mchunu
KZN291CSST018
Registry Clerk
T8
S Iwalapursadh
KZN291CSAR015
Committee Officer
T10
SW Buthelezi
KZN291CSCR003
/004
2 x Committee Clerks
T8
N.P Kunene
M Mnqayi
KZN291CSCR005-006
05/06/2025

Corporate Services Department
Information Communication &
Technology (Page 2 of 2)

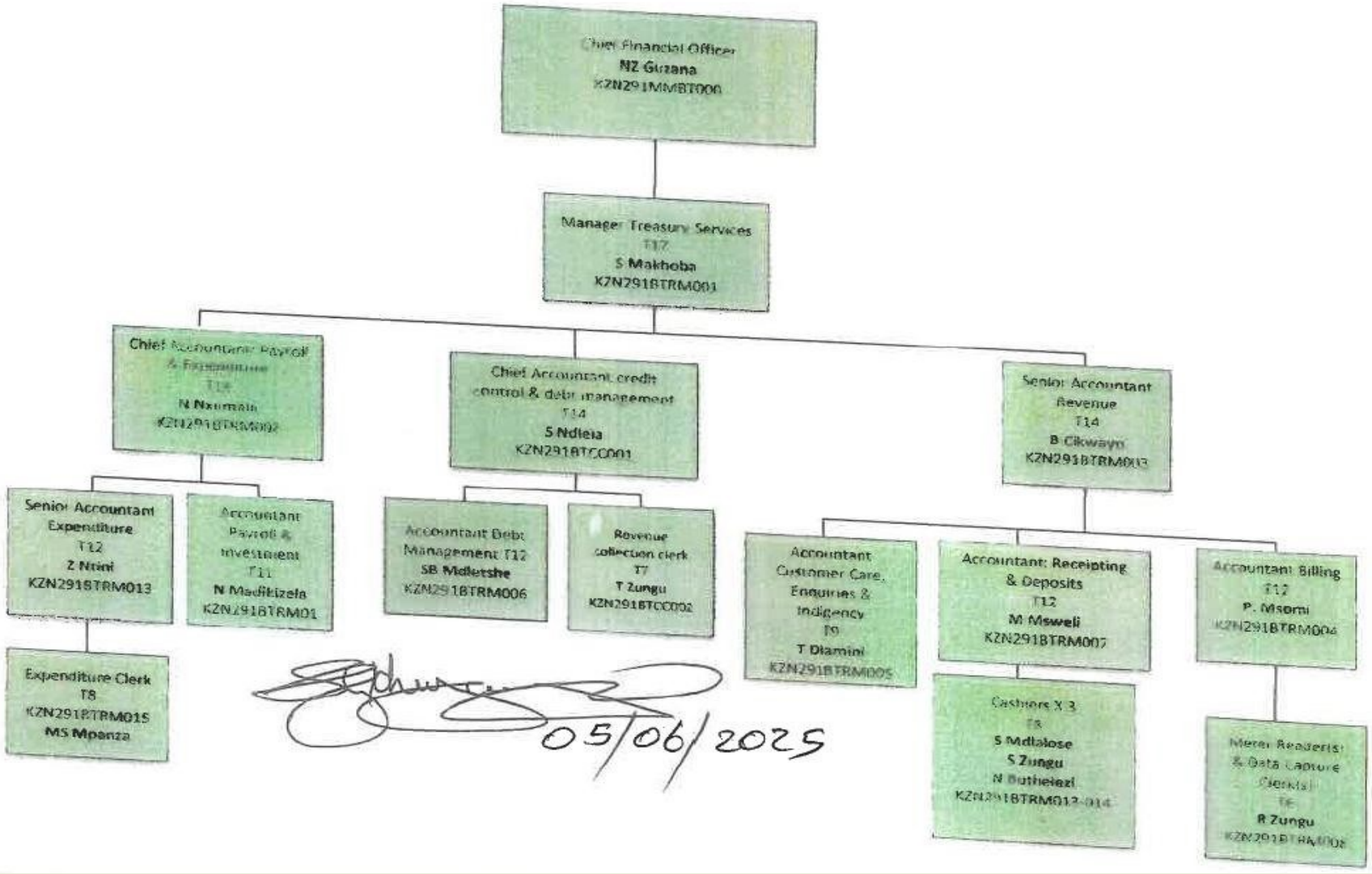


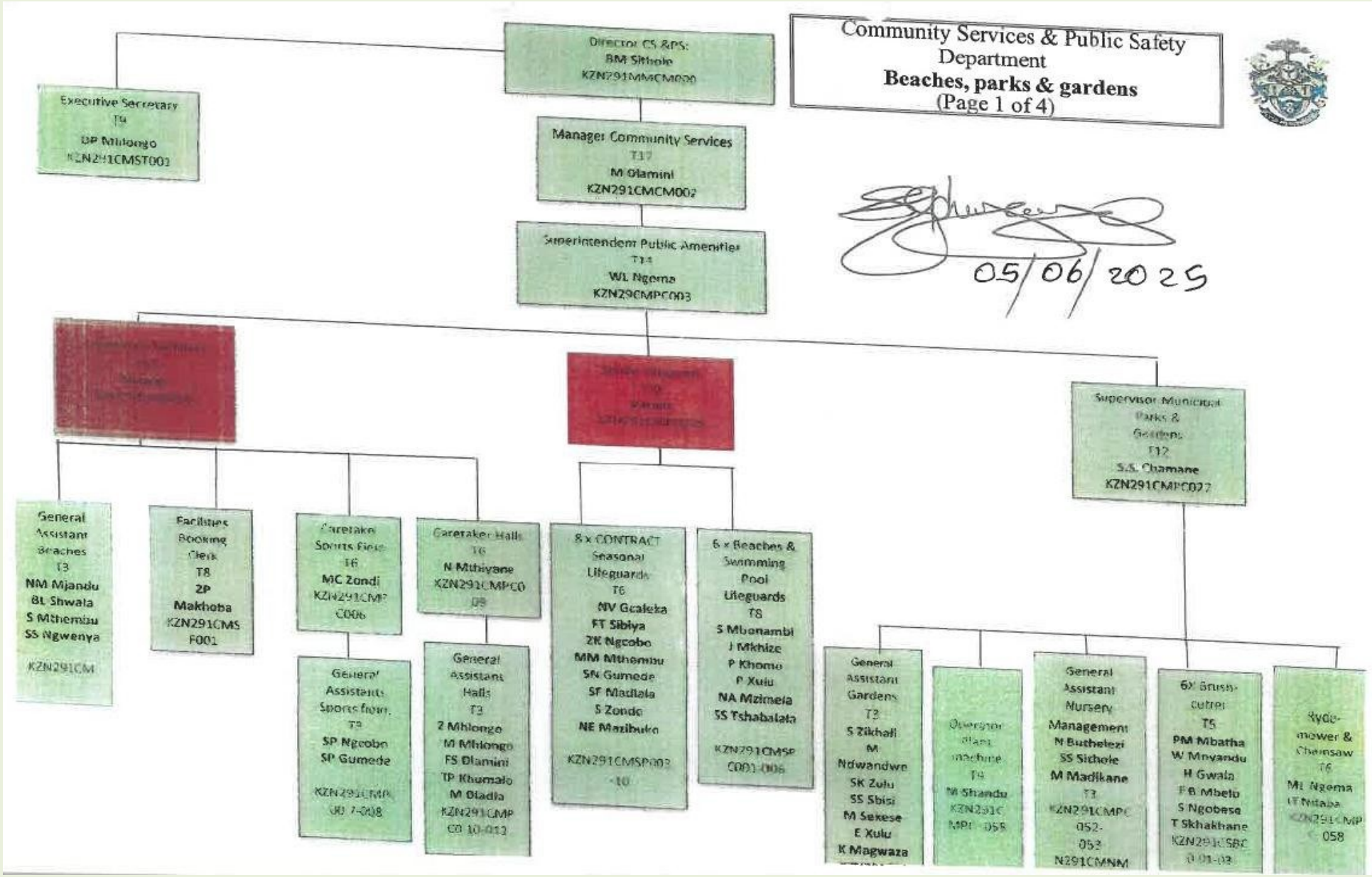
05/06/2025

Budget & Treasury Office Department
Supply Chain Management & Budget Services
(Page 1 of 2)

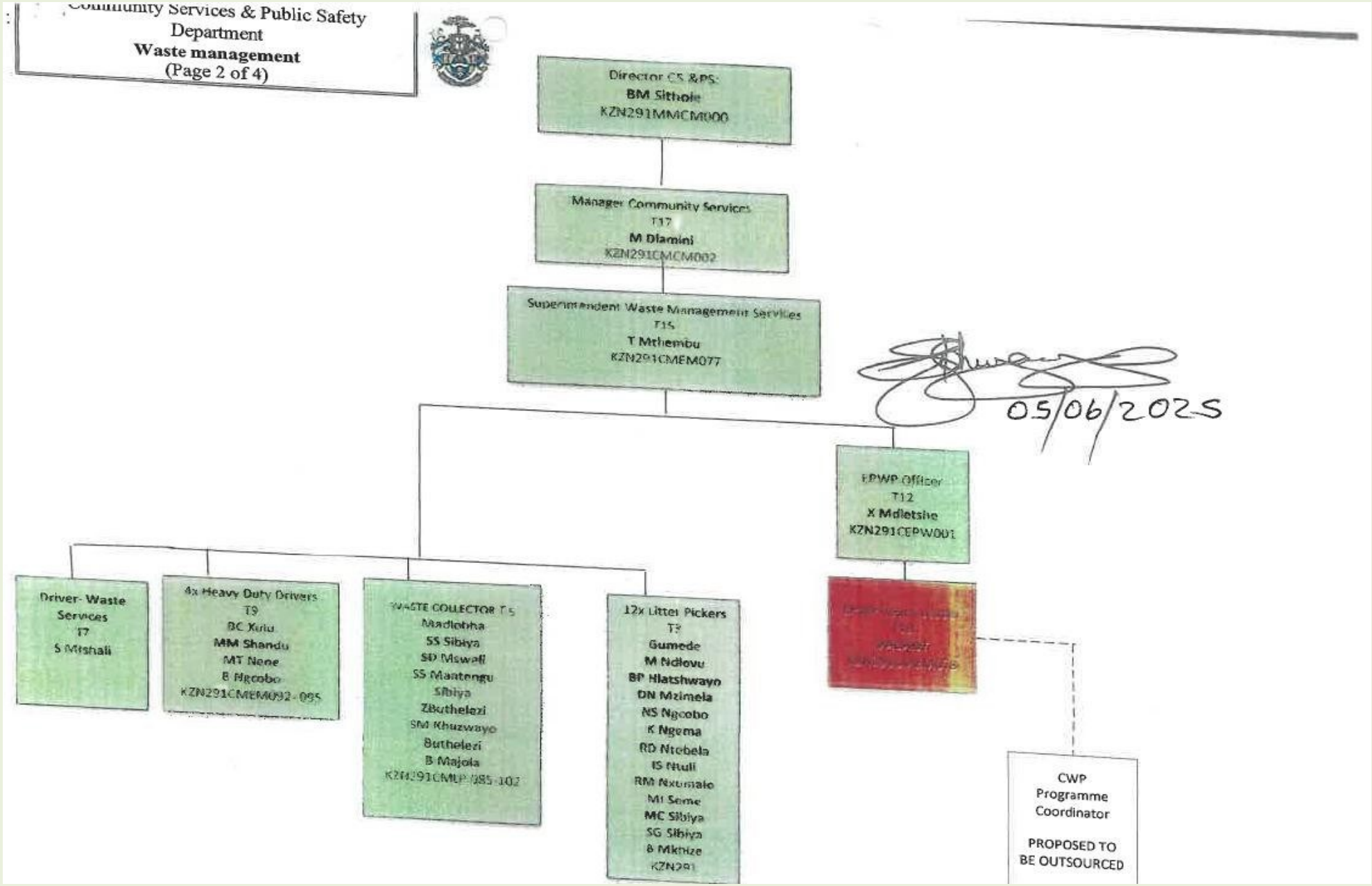


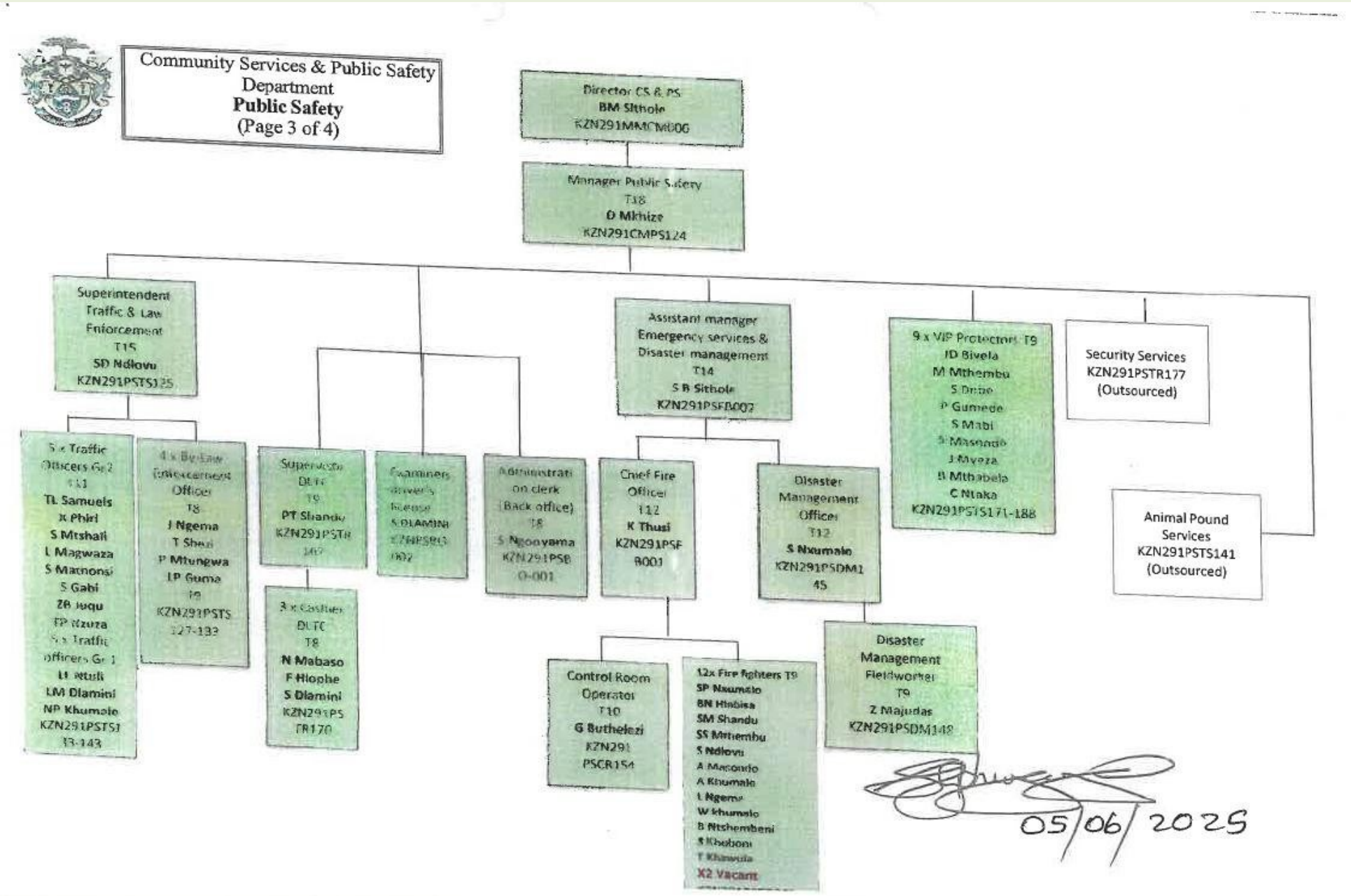
Budget & Treasury Office Department
Treasury Services
(Page 2 of 2)

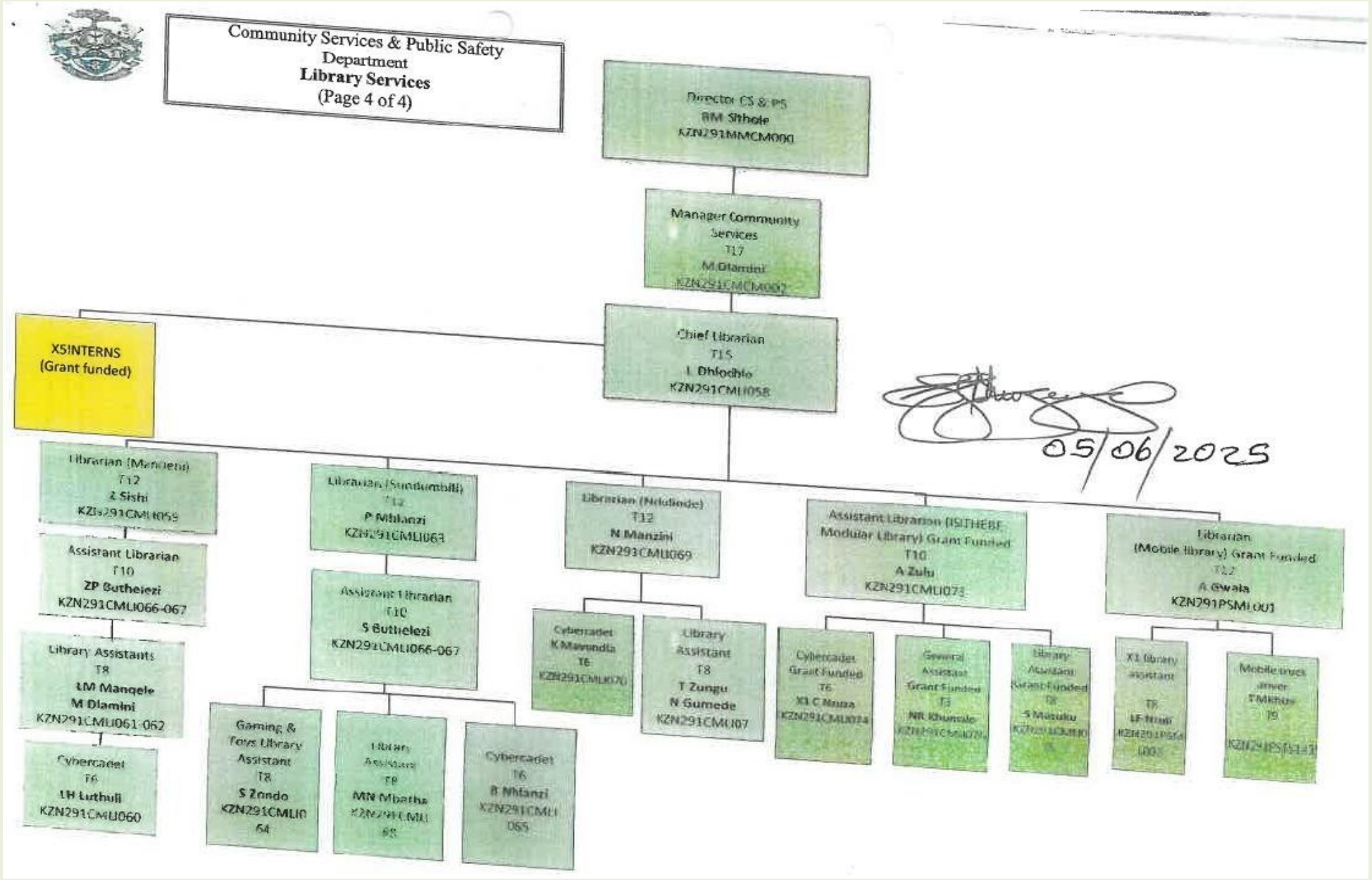



Community Services & Public Safety
Department
Beaches, parks & gardens
(Page 1 of 4)
Director CS &PS:
BM Sithole
KZN291MMCM000
Executive Secretary
T9
DP Mhlongo
KZN291CMST001
Manager Community Services
T17
M Dlamini
KZN291CMCM002
Superintendent Public Amenities
T14
WL Ngema
KZN29CMPC003
05/06/2025
Supervisor Municipal Parks & Gardens
T12
S.S. Chamane
KZN291CMPC002
General Assistant Beaches
T3
NM Mjandu
BL Shwala
S Mthembu
SS Ngwenya
KZN291CM
Facilities Booking Clerk
T8
ZP Makhoba
KZN291CMS F001
Caretaker Sports Field
T6
MC Zondi
KZN291CMP C006
Caretaker Halls
T6
N Mthiyane
KZN291CMPC0 09
8 x CONTRACT Seasonal Lifeguards
T6
NV Gcaleka
FT Sibiya
ZK Ngcobo
MM Mthembu
SN Gumede
SF Madlala
S Zondo
NE Mazibuko
KZN291CMSP003 -10
6 x Beaches & Swimming Pool Lifeguards
T8
S Mbonambi
J Mkhize
P Khomo
P Xulu
NA Mzimela
SS Tshabalala
KZN291CMSP C001-006
General Assistant Sports field
T3
SP Ngcobo
SP Gumede
KZN291CMP 007-008
General assistant Halls
T3
Z Mhlongo
M Mhlongo
FS Dlamini
TP Khumalo
M Dladla
KZN291CMP C009-013
General Assistant Gardens
T3
S Zikhali
M Ndwandwe
SK Zulu
SS Sbisi
M Sekese
E Xulu
K Magwaza
Operator plant machine
T9
M Shandu
KZN291C MPC 058
General Assistant Nursery Management
N Buthelezi
SS Sithole
M Madikane
T3
KZN291CMPC 052-053
N291CMNM
6X Brush-cutter
T5
PM Mbatha
W Mnyandu
H Gwala
F B Mbelu
S Ngobese
T Skhakhane
KZN291CSBC 001-03
Hydo-mower & Chainsaw
T6
ML Ngema
LT Nitapa
KZN291CMP C 058

Community Services & Public Safety
Department
Waste management
(Page 2 of 4)

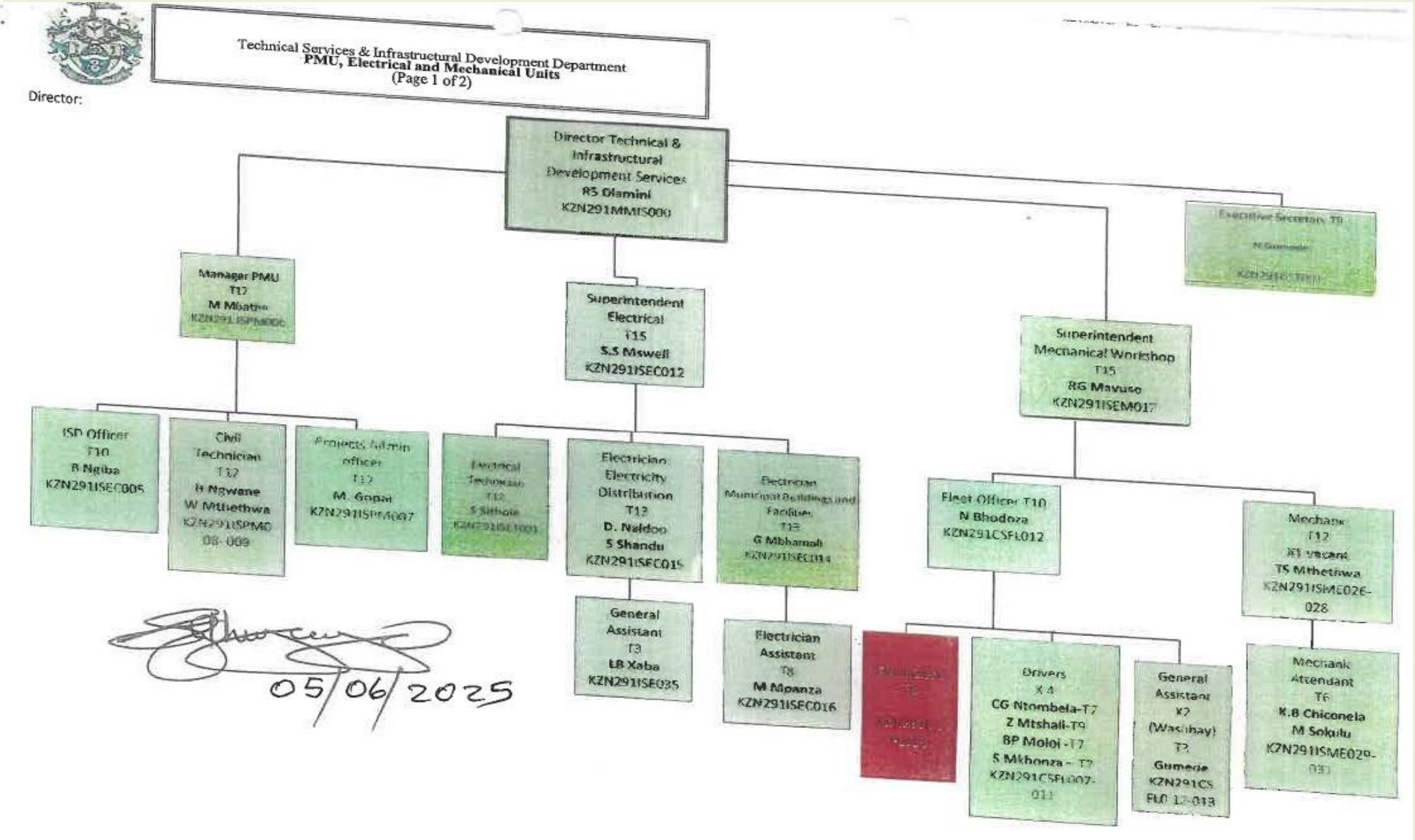



Community Services & Public Safety Department
Public Safety
(Page 3 of 4)
Director CS & PS
BM Sithole
KZN291MMCM006
Manager Public Safety
T18
O Mkhize
KZN291CMPS124
Superintendent Traffic & Law Enforcement
T15
SD Ndlovu
KZN291PSTS125
Assistant manager Emergency services & Disaster management
T14
S B Sithole
KZN291PSFB007
9 x VIP Protectors T9
ID Bivela
M Mthembu
S Dube
P Gumede
S Mabi
S Masondo
J Myeza
B Mthabela
C Ntaka
KZN291PSTS171-188
Security Services
KZN291PSTR177
(Outsourced)
Animal Pound Services
KZN291PSTS141
(Outsourced)
5 x Traffic Officers Gr 2
T11
TL Samuels
X Phiri
S Mtshali
L Magwaza
S Mathonsi
S Gabi
ZB Jugu
FP Nzuza
5 x Traffic officers Gr 1
LL Ntuli
LM Dlamini
NP Khumalo
KZN291PSTS1
33-143
4 x By-Law Enforcement Officer
T8
J Ngema
T Sheri
P Mtungwa
LP Guma
T9
KZN291PSTS
127-133
Supervisor DLTC
T9
PT Shandu
KZN291PSTR
167
3 x Cashier DLTC
T8
N Mabaso
F Hlophe
S Dlamini
KZN291PS
TR170
Examiners drivers licence
S DLAMINI
KZNPSR0
002
Administration clerk (Back office)
T8
S Ngcoyama
KZN291PSB
O-001
Chief Fire Officer
T12
K Thusi
KZN291PSF
B001
Disaster Management Officer
T12
S Nxumalo
KZN291PSDM1
45
Control Room Operator
T10
G Buthelezi
KZN291
PSCR154
12x Fire fighters T9
SP Nxumalo
BN Hlobisa
SM Shandu
SS Mthembu
S Ndlovu
A Masondo
A Khumalo
L Ngema
W khumalo
B Ntshembeni
S Khoboni
T Khanyile
X2 Vacant
Disaster Management Fieldworker
T9
Z Majudas
KZN291PSDM148
05/06/2025


Community Services & Public Safety
Department
Library Services
(Page 4 of 4)
Director CS & PS
BM Sithole
KZN291MMCM000
Manager Community Services
T17
M Dlamini
Chief Librarian
T15
L Dhlodhlo
KZN291CMLI058
X5INTERNS
(Grant funded)
05/06/2025
Librarian (Mandeni)
T12
Z Sishi
Assistant Librarian
T10
ZP Buthelezi
KZN291CMLI066-067
Library Assistants
T8
LM Mangele
M Dlamini
KZN291CMLI061-062
Cybercadet
T6
LH Luthuli
KZN291CMLI060
Librarian (Sundumbili)
T12
P Mhlanzi
KZN291CMLI063
Assistant Librarian
T10
S Buthelezi
KZN291CMLI066-067
Gaming & Toys Library Assistant
T8
S Zondo
KZN291CMLI064
Library Assistant
T8
MN Mbatha
Cybercadet
T6
B Nhlanzi
KZN291CMLI065
Librarian (Ndondondwane)
T12
N Manzini
KZN291CMLI069
Cybercadet
K Mavundla
T6
KZN291CMLI070
Library Assistant
T8
T Zungu
N Gumede
KZN291CMLI07
Assistant Librarian (ISITHEBE Modular Library) Grant Funded
T10
A Zulu
KZN291CMLI071
Cybercadet
Grant Funded
T6
XS C Mazwa
KZN291CMLI072
General Assistant
Grant Funded
T3
NR Khumalo
Library Assistant
Grant Funded
T8
S Mazulu
Librarian
(Mobile library) Grant Funded
T12
A Gwala
KZN291PSMLI001
X1 library assistant
T8
LF Nxumalo
Mobile truck driver
T8
T Mkhize
T9

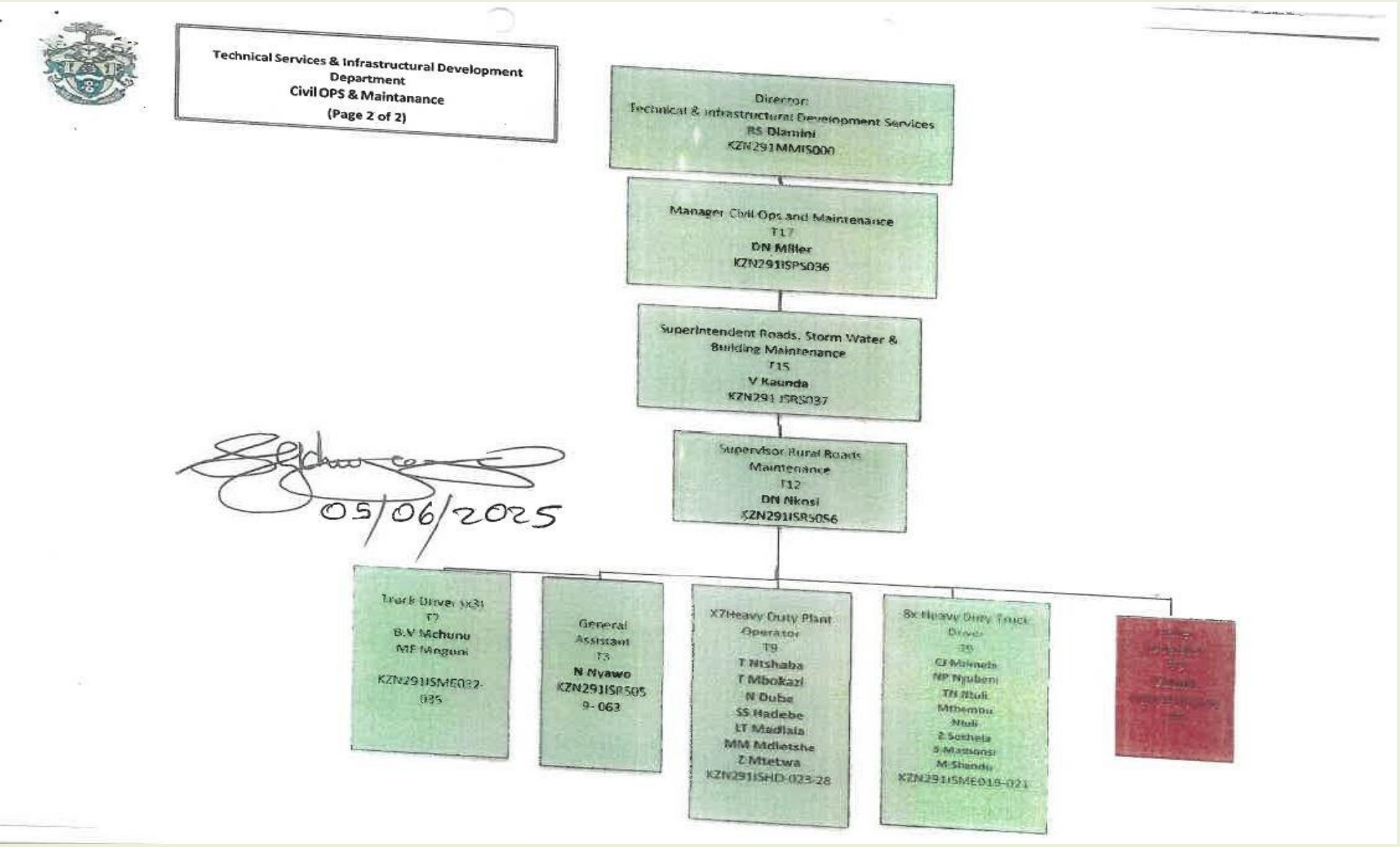
Director:

Technical Services & Infrastructural Development Department
PMU, Electrical and Mechanical Units
(Page 1 of 2)

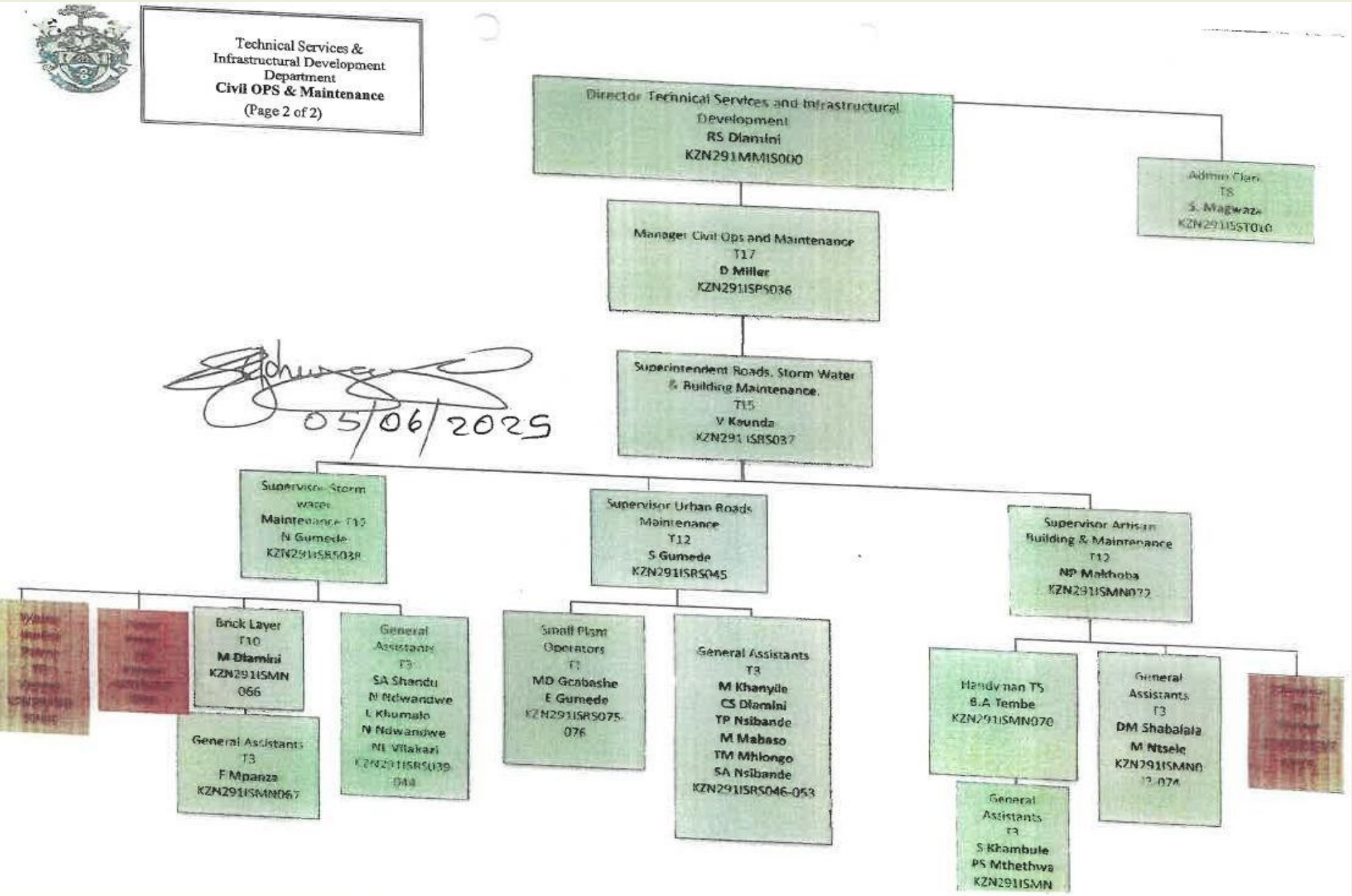


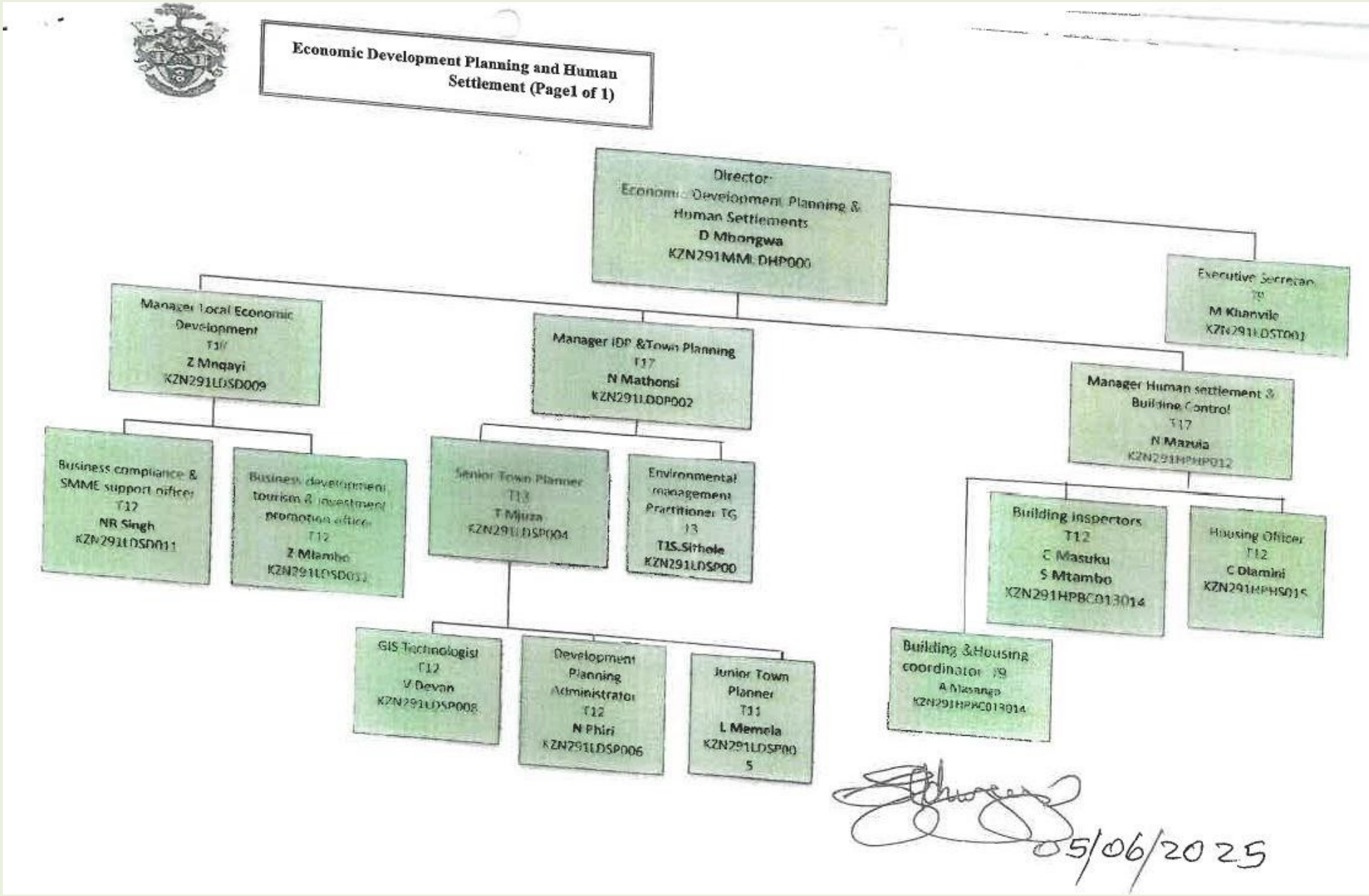
05/06/2025

Technical Services & Infrastructural Development Department
Civil OPS & Maintanance
(Page 2 of 2)



Technical Services &
Infrastructural Development
Department
Civil OPS & Maintenance
(Page 2 of 2)




Economic Development Planning and Human Settlement (Page1 of 1)
Director
Economic Development Planning & Human Settlements
D Mbongwa
KZN291MMI DHP000
Executive Secretary
M Khanyile
KZN291LDST001
Manager Local Economic Development
T17
Z Mnqayi
KZN291LDSD009
Manager IDP &Town Planning
T17
N Mathonsi
KZN291LDDP002
Manager Human settlement & Building Control
T17
N Mazula
KZN291HPHP012
Business compliance & SMME support officer
T12
NR Singh
KZN291LDSD011
Business development tourism & investment promotion officer
T12
Z Mlambo
KZN291LDSD012
Senior Town Planner
T13
T Mjuza
KZN291LDSP004
Environmental management Practitioner TG 13
TLS.Sithole
KZN291LDSP00
Building Inspectors
T12
C Masuku
S Mtambo
KZN291HPBC013014
Housing Officer
T12
C Dlamini
KZN291HPHS015
GIS Technologist
T12
V Devan
KZN291LDSP008
Development Planning Administrator
T12
N Phiri
KZN291LDSP006
Junior Town Planner
T11
L Memela
KZN291LDSP00 5
Building &Housing coordinator T9
A Masango
KZN291HPBC013014
05/06/2025

APPENDIX D

Functions of Municipality/Entity

In terms of Section 156 of the Constitution of the Republic of South Africa, 1996, a municipality has executive authority in respect of, and has the right to administer:

- The local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and
- Any other matters assigned to it by national or provincial legislation.

In addition, national and provincial governments must assign to a municipality, by agreement and subject to any conditions, the administration of a matter listed in Part A of Schedule 4 or Part A of Schedule 5 to the Constitution which necessarily related to local government, if:

- That matter would most effectively be administered locally; and
- The municipality has the capacity to administer it. (Section 156(4), Constitution)

Section 83 read with section 84(1) and (2) of the Municipal Structures Act 117 of 1998 (Structures Act) divides up the functions listed in Schedule 4B and 5B of the Constitution between local municipalities and district municipalities.

The Minister, in terms of section 84(3) of the Structures Act, and the MEC, in terms of section 85(1) of the Structures Act may adjust the functions and powers of local and district municipalities by way of notice in the Government Gazette and Provincial Gazette respectively.

National Legislation may also assign certain duties and responsibilities relating to national or provincial government powers and functions.

In addition to the above, a district municipality is obligated in terms of section 83 (3) to seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by –

- Ensuring integrated development planning for the district as a whole;

- Promoting bulk infrastructure development and services for the district as a whole;
- Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
- Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

Appendix E- Ward reporting

Report on challenges affecting the Ward Committees in Mandeni.

11 November 2025

Listed below is a summary of challenges affecting the Ward Committees in Mandeni

Ward	Challenge	Action required/ Taken
01	A PR Councillor deployed in Ward 1 to oversee the Ward Committee and assist in the Ward Functionality	Speaker has deployed a PR Councillor to play an oversight role
05	There are challenges with the secretariat and the coordination of public meetings	Public Meetings to be coordinated in the Speaker's office in consultation with the Ward Committee & the Ward Councillor
06	Poor Communication between the Ward Cllr & the Ward Committee Secretary	Mediation by the Speaker's office between all parties involved.
08	Member representing the traditional sector does not attend.	A letter was sent to Inkosi to report the matter. Awaiting feedback.

10	Nonattendance of members, frivolous excuses given.	Formal report to be made to the Speakers office for immediate intervention.
13	2 members of the committee have gotten employment and need to be replaced.	A public meeting to fill the vacancies.
15	Communication between the committee and the Ward Cllr	Mediation is underway by the Speaker's office.
17	Vacancies to be filled & communication between Cllr & the Ward committee secretary	A public meeting to fill the vacancies and intervention by the Speaker's office.
18	Coordination of public meetings and communication between the Cllr and members of the committee. Conflict within members	Meetings to be coordinated in the Speaker's office in consultation with the Ward Committee & Cllr. The Speaker's office is drafting a programme to mediate in Wards with conflicts

Ward Reporting

Mandeni Municipality submits ward reports monthly to COGTA. Most wards are functional. However, there is a challenge of ward 17 whereby some reports are not submitted. The matter was reported to the Speaker of the municipality to resolve the matter.

There are ongoing engagements with Ward Councillors and the Secretariat of the Ward Committee on what is expected from them in order to remain or be functional as per the guidelines set out by CoGTA.

The Ward Committees have been and will continue to receive workshops and trainings to ensure that they fully understand their role. The challenge that we are facing currently in terms of compliance is the submission of minutes for community feedback meetings.

A possible solution for this challenge is to have Municipal Officials attend public meetings to render secretariat support in areas where needed. The submission rate has improved, a cut-off date has been set as the 20th of each month, this has helped a great deal.

APPENDIX F

Ward Information

WARD INFORMATION

MANDENI MUNICIPALITY PROJECT LIST INFORMATION FY 2024/25						
NO.	**PROJECT NAME**	**WARD**	**COST**	**START DATE**	**END DATE**	**PROGRESS**
MIG FUNDED PROJECTS						
1.	Rehabilitation of (1.6km) Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)	13	R 5363924.00	July 2023	June 2024	Completed
2.	Rehabilitation of (1.6km) Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela)	13 & 14	R 1297119.15	July 2023	June 2024	Practical completion
3.	Rehabilitation of (1km) Internal Roads and Upgrade of Associated Stormwater in Sundumbili ward 15 (Amajuba Road)	15	R 9669311.56	July 2023	April 2024	Completed
12.	Presenting bid document for an Upgrade of Machibini Link Road in Isithebe in Ward 10 and Ward 12	10 & 12	R365173.91	July 2023	March 2024	In progress. Project at 45% completion

MANDENI MUNICIPALITY PROJECT LIST INFORMATION FY 2024/25						
NO.	**PROJECT NAME**	**WARD**	**COST**	**START DATE**	**END DATE**	**PROGRESS**
13.	Presenting the dib document for Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1	13, 14 & 15	R1780750.15	July 2023	March 2024	In progress. project at 71% completion
INTERNALY FUNDED PROJECTS						
1.	Installation of P415 & P549 streetlights	03	R 1722103.41	January 2024	March 2024	completed
2.	Presenting bid document of new office block	03	R 1723115.02	July 2023	TBC	Completed
3.	Construction of Mechanical Workshop and Construction of New Offices	03	R 11267780,26	July 2023	TBC	In progress. Contractor terminated due to poor performance.
4.	Re-gravelling of D888 to KwaMnguni Store.	01	R1975721.28	October 2024	January 2025	Completed
5.	Re-gravelling of Tugela Beach Road	02	R1979539.00	October 2024	January 2025	Completed
6.	Re-gravelling of Carwash P415 to Tunnel Bridge	03	R1995714.60	October 2024	January 2025	Completed

MANDENI MUNICIPALITY PROJECT LIST INFORMATION FY 2024/25						
NO.	**PROJECT NAME**	**WARD**	**COST**	**START DATE**	**END DATE**	**PROGRESS**
7.	Re-gravelling of Masinga Gravel Road	04	R1955057.50	October 2024	January 2025	Completed
8.	Re-gravelling of Esamanqamu to Mgizimba Road	05	R1801201.88	October 2024	January 2025	Completed
9.	Re-gravelling of Evutha to Apostolic church Road	06	R1690971.35	October 2024	January 2025	Completed
10.	Re-gravelling of Hlanzeni Phase 2	07	R1999525.00	October 2024	January 2025	Completed
11.	Regravelling of Maqina Road	08	R1765396.05	October 2024	January 2025	Completed
12	Regravelling of Esikhoveni to Nyathini	09	R1848744.37	October 2024	January 2025	Completed
13.	Regravelling of Dabedabe Road	10	R1999246.48	September 2024	January 2025	Completed
14.	Re-gravelling of Kwa Ngcobo to Kwa Mwandla	11	R1778702.67	October 2024	January 2025	Completed
15.	Re-gravelling of Machibini	12	R1382212.00	October 2024	January 2025	Completed

MANDENI MUNICIPALITY PROJECT LIST INFORMATION FY 2024/25						
NO.	**PROJECT NAME**	**WARD**	**COST**	**START DATE**	**END DATE**	**PROGRESS**
	Link Road					
16.	Re-gravelling of Road 6	13	R1956267.50	September 2024	January 2025	Completed
17.	Re-gravelling of KwaMjulelwa to Ezimpohlweni	15	R1983204.26	September 2024	January 2025	Completed
18	Re-gravelling of kwaMathonsi estobhini to KwaMthembu estobhini	16	R1984279.00	September 2024	January 2025	Completed
19.	Re-gravelling of Ezmangweni to okhalweni	17	R1950005.85	September 2024	January 2025	Completed
20.	Re-gravelling of Isithebe Library to Othini Area	18	R1984468.78	September 2024	January 2025	Completed
INEP GRANT FUNDED PROJECTS						
1.	Presenting a bid document for Mandeni substation 5 bulk.	3	R 7384000.00	July 023	TBC	Planning stage

MANDENI MUNICIPALITY PROJECT LIST INFORMATION FY 2024/25						
NO.	**PROJECT NAME**	**WARD**	**COST**	**START DATE**	**END DATE**	**PROGRESS**
MASSIFICATION GRANT FUNDED PROJECTS						
1.	Mantshangula Mhlubulweni Electrification Project (140 HH)	2 & 9	R 1431834.87	TBC	TBC	Completed
2.	Khenana Phase 5 Electrification Project (100 HH)	10	R 1414428.30	TBC	TBC	Completed
3.	Mhlangeni electrification (100HH)	05	R2 000 000.00			Completed
4.	UKhovothi electrification (105 HH)	11 & 12	R 1640000.00			Infrastructure completed awaiting energizing

Cllr's Name & Surname	Organization	Cellphone No.	Ward	Type	ID No.	Address
MKHALIPHI MZWAKHE CORNWELL	ANC	073 454 0564	12	W	7904215681087	ZAKHENI AREA
DLADLA NHLANHLA OSWALD	ANC	078 672 5820	7	W	8401055386082	A1289 DARK CITY, SUNDUMBILI, 4491
KHUZWAYO NOKUKHANYA HLENGEKILE	EFF	064 853 9408	N/A	PR	9801260539083	HLOMENDLINI AREA, HOUSE NO.1416, MANDENI
MTHEMBU CAROLINE LUNGILE	ANC	073 196 6659	11	W	6901270514089	ISITHEBE THEMBENI RESERVE
NCUBE NDUDUZO SBUSISO	IFP	073 791 7803	N/A	PR	8704085391083	SKHALAMBAZO, HOUSE NO 377 SUNDUMBILI, 4491

WARD COMMITTEE DATABASE: 2024/25

DISTRICT:			**ILEMBE**								
LOCAL MUNICIPALITY:			**MANDENI**								

WARD NO.	MEMBERSHP	SURNAME	FULL NAMES	ID NO. (13 DIGITS)	GENDER		SECTOR REPRESENTED	CONTACT NO.	HIGHEST EDUCATIONAL QUALIFICATIONS	PREVIOUS MEMBER	
					M	F				YES	NO
1	WARD CLLR	M.Shelembe						072 026 1629			
		Shandu	Fano	6705205256082	M		Transport	076 327 9260	Grade 7		no
		Manqele	Sizwe Abednego	8601095905086	M		Agriculture	082 624 4802	Matric		no
	WC MEMBERS	Masinga	Thabani	8401195931086	M		Safety	078 101 9825	MATRIC		no
		Mchunu	Ngitheni Zinhle	8107260774083	F		Social Welfare	084 962 99 12			no
		Mtembu	Celumusa	8902035914083	M		Sport and Religion	072 935 1504			no
		Majola	Sibonelo	8508086050089	M		Health	073 092 6699	Primary agriculture NQF4		no

		Ntuli	Veronica Nompumelelo	6801060561086	F		Women	072 797 1159	Matric		no
		Shandu	Mbongiseni	6508095517088	M		Civic Society	072 931 8042	Grade 11		Yes
		Ntombela	vulindlela	8106175810081	M		Transport	074 674 4869	Matric		no
		Dube	Muntukazi	8510106695083	M		Disability	066 177 2635			no
2	**WARD CLLR**	Mthembu	D.G.P		M			082 701 4892			
		Biyela	Mlungisi	7411075321084	M		Community Safety	073 761 2290	Matric	yes	
		Nxumalo	Mandlenkosi	7503105728089	M		Health	072 336 7046	matric		no
	WC MEMBERS	Nene	Balungile	7312240654089	F		Transport	073 903 4883	matric	yes	
		Khanyile	Namhla	7701030583088	F		Business	064 644 7887	eletrical Diploma		no

		Mathe	Zanele	8108091171085	F		Environmental Affairs	076 100 5853	grade 11		no
		Mthimkhulu	Khanyisile	8908191051081	F		Youth	071 552 7917	matric		no
		Mathaba	Njabulo	9103045871087	M		Education	072 982 3650	matric		no
											no
		moffat	Msomi	6810225470083	M		Disability	083 418 6485		yes	
		Nkosiyoyi	Vilakazi	7601095492086	M		Traditional	083 872 8839			
3	**WARD CLLR**	Mhlongo	C.T					082 701 4898			
	WC MEMBERS	Gina	Mfanaomusha	6601017619080	M		Health	0797159467			no
		Makhoba	Celokuhle	8409105821081	M		Informal Traders & Tourism	073 991 6234	Grade 12		no

		Nkwanyana	Lusanda	9104020969086	F		Transport	0731109382			
		Mpanza	Goodman	9408086266083	M		Youth	072 084 2166	Grade 12		no
		Mavimbela	Thembi	7304140377085	F		Disability	078 214 5597	LLB Degree		no
		Twala	Sbongiseni	8707115013080	M		Business	0716693017	Grade12		no
		Sibiya	Nokuphiwa	8510080613086	F		Religion	0786518878			no
		Mavimbela	Oswel	9204065487083	M		Traditional	0727444905			
											no
4	**WARD CLLR**	S.T Magwaza						076 760 3117			
	WC MEMBERS	Kilowan	Radish	8611025745083	M		Farm Workers	063 584 0994	grade 12	yes	
		Mkhize	Thembelihle	8109231060089	F		Education & Transport	076 248 7939	Grade 12		no

		Mdluli	Sbusiso	8407155728081	M		Health & Social Dev	079 722 7439	Grade12		no
		Ngema	Gugu	7304210686084	F		Community Safety	060 571 6265	Grade 8		no
		Ndlovu	Dora	6206030331083	F		Women	083 748 7801	grade 7	yes	
		Sibiya	Babongile	9307310403084	F		Ratepayers & Youth affairs	063 215 2524	B.admin and cert in VCT		no
		Gcwensa	Muzi	7501206226086	M		Environmental Affairs	079 600 1149	grade 11	yes	
		Qwabe	Nokuthula	8311111649086	F		Traditional	060 720 5736	Grade 11	yes	
		Zungu	Lucky boy	7308145369088	M		Disability	078 110 5913	Grade 7	yes	
		Mathonsi	Celani	6908105722084	M		Religion	083 541 4247	Grade 12	yes	
5	**WARD CLLR**	Z.M Nxumalo						083 748 0725			

		Mathonsi	Gamelihle Sandile	8506125567083	M		Safety	073 310 9158	Grade 12	yes	
		Ngubane	Nokuthula	8904050534085	F		Agriculture	060 829 6907	Grade 11		no
		Mthethwa	Celiwe	9205150821086	F		Women	067 307 2734	Grade11		no
		Jiyani	Khanyisani	8208016063084	M		Education	0660644337	Grade 12		no
		Khuzwayo	Phumelele	7808280687087	F		Health	072 866 5153	Grade 11		no
		Gumede	Goodman	6908055335085	M		Senior Citizens	073 836 8804	Grade 11		no
		Mathaba	Nkululeko	7809145709082	M		Disability	071 755 6169	Grade 11		no
		Makhoba	Maxwell	7404025571081	M		Sport	076 043 4168	Grade 12		no
		Ngwenya	Mdududzi	8910176083089	M		Transport	0833346852			
		Mntungwa	Thobekile	9109080922081	F		Traditional	071 588 2961	Grade 11		no

6	**WARD CLLR**	S.W Shandu						078 001 4210			
	WC MEMBERS	Chili	Xolisile	8505251754081	F		Education	079 532 3914	Grade 12	Yes	
		Mhlongo	Slindile Nonhlanhla	8601050349080	F		Health	078 356 6224	grade 10	Yes	
		Masuku	Fano Alphios	6705018688086	M		Community Safety	071 271 3891	Grade 7	Yes	
		Mpanza	Slindile Witness	8008010727084	F		Agriculture	071 136 3874	grade 12		No
		Ntuli	Thabiso	9201026162086	M		Youth	083 986 7784			
		khanyile	Nokwazi Tholi	7307110427087	F		Religion	071 511 0071	Grade 11		No
		Nxumalo	Mandlakhe	7212265496087	M		Traditional	076 501 5335	Grade 7		No
		Mkhize	Zakhele Mbhekiseni	7105205396088	M		P.W Disabilities	064 842 8112			

		Mlangeni	Rejoice	6401051158081	F		Transport	079 283 7272	Grade 11		No
7	**WARD CLLR**	N.D Dladla						078 672 5820			
	WC MEMBERS	Mchunu	Thandeka	9402041257089	F		Women	0762503443			No
		Xulu	Zondani	9006151359088	F		Community Safety	064 5409 050	Grade 12		No
		Ntshangase	Sanele	8910170754081	F		Business	074 0762 362	Grade12		No
		Biyela	Nontobeko	8709170779084	F		Health & Social Development	078 6997 143	Grade12		No
		Luthuli	Thokozani	7421175406082	M		Transport	083 5475 996	Grade12		No
		Thusi	Mandlenkosi	7402085712082	M		Informal Traders	079 5774 602	Grade 12		No
		Shandu	Mxolisi	9012060160868	M		Sport	0792732554	Grade 12		No

		Ngubane	Thandukwazi	8807145759084	M		Traditional	083 351 3304	Grade12		No
		Hlabisa	Sandile	9311186010080	M		Youth	0842944637	Grade12		No
		Sangweni	Mangaliso W	9707185657088	M		Disability	0721185738 / 0714261743	Grade 12		No
8	**WARD CLLR**	T.P Mdlalose						0766 79 5812			
	WC MEMBERS	Shezi	Ayanda	8812095354080	F		Youth & Sports	0660650439	Grade 11	Yes	
		Khumalo	Nonhlanhla	7711240770088	F		Agriculture	0762765878	Grade11		No
		Hlabisa	Nonhlanhla	7405080466083	F		Transport	0791121991	Grade12		NO
		Mthimhkulu	Thabani	790925416080	M		Informal Traders	0834162535	Grade12		NO
		Shwala	Busi	8604680637084	M		Health & Social Dev	0739642450	Grade12		NO
		Thusi	Sakhile	8103125585087	M		Community Safety	0767385251	Grade12		NO

		Zikhali	Nothando	7806070721082	F		Education and business	07383 79715	Grade 12		NO
		Msweli	Lungisani	7404055676081	M		Faith Based Formations	0792507684	Grade12		NO
		Masondo	Veronica N	900910541086	F		P.W Disabilities	0791168407	Grade11		No
		Mbonambi	Wellington	7208205934088	F			079 721 0699			No
9	**WARD CLLR**	S.T Thwala						078 976 1260			
	WC MEMBERS	Mangubane	Promise	7211020798084	F		Religion	073 5420 343	Grade 10		No
		Buthelezi	Ncamisile	8503060605081	F		Women	078 706 1578	Grade12		No
		Ntuli	Sakhile	9801156203087	M		Youth	078 305 8230	Grade12		
		Mphande	Bheki	7602045705000	F		Business	073 298 484 4	Grade12	yes	

		Zikhali	Qaphelisile	8706190770085	F		Community Safety	0760879049	Grade11		No
		Ndlovu	Siphiwe		M		Traditional	0726706631	Grade12		No
		Shongwe	Simphiwe		F		P.W Disabilities	0786383114	Grade12		NO
		Msweli	Bernald	8811155631080			Education	073 445 7092			
		Ncube	Pinky	9205160864084	F		Transport	071 528 4803			
10	**WARD CLLR**	Mdunge						060 637 9103			
	WC MEMBERS	Vumisa	Nkosinathi	7506015693087	M		Business	0732905950	Grade 12	Yes	
		Mtshali	Thembeka	8205021177081	F		Social Development	0719681878	Grade 12		No
		Mpanza	Khayelihle	9308256224088	M		Sports & Recreation	0717708570	Grade 12		No
		Dludla	Sibusiso	7507165287084	M		Transport	0766794703	Grade 12		No

		Shandu	Jabulani	7407105746085	M		Faith Based Formation	0608098132	Grade 11		No
		Gcwensa	Zakhele	6902095588084	M		Agriculture	0663683310	Grade12		No
		Dlamuka	Siphesihle	8307165319089	M		Education	0712823013	Grade12		No
		Mtshali	Slindile		F		Youth	0769982553	Grade12		No
		Mkhwamubi	Sboniso	8009175342081	M		Disability	0791949019			
		Gumede	Bhekithemba		M		Traditional	0764728381			
11	**WARD CLLR**	MTHEMBU	CAROLINE			F	WARD COUNCILLOR	0731966459			
	WC MEMBERS	Masuku	Rejoice	6701190625084	F		797143	0729819989			
		Zungu	Velenkosini	8208125952086	M		Faith Based Formations	0670838559			
		Ngema	Nkanyiso	7402165515082	M		Transport	0785188238	Grade12		No
		Khuzwayo	Busisiwe	7210020487086	F		Community	0711790928	Grade12		No

							safety				
		Sibisi	Sifiso	6910245738087	M		Safety	0730615695	Grade 12		No
		Mathonsi	Thandazile	9003120749089	F		Health	0714436257			
		Sikho	Manqele		M		Agriculture	0649843332	Grade12		No
		Dlamuka	Philisiwe	7002040786088	F		Disability	0728914818		Yes	
											No
	WARD CLLR										
		Mpanza	Simphiwe	8,208,156,382,088	F		Transport	0785041168	Grade 11		No
		Ngema	Jabulisiwe	9,010,310,797,089	F		Women	081 2330 232	Grade12		
		Mathonsi	Nokwazi	800,120,076,408	F		Health	079 7788 153	Grade 11		No
12		Masango	Sipho	7,309,285,572,085	M		Civic Society	078 468 5232	Grade12		

		Nxele	Sphiwe	7,512,295,599,085	M		Business	0798033566	Grade12		
		Gazu	Malusi	6,707,255,274,080	M		Disability	0837470409	Grade12		
		Vilakazi	Sbusiso(ukhozi)	8,306,255,338,082	M		Community Safety	063 5767 296	Grade11		No
		Mthembu	Xolani	9104290724088	M		Youth	0762172058	grade12		No
		Danisa	Winson		M		Traditional	0820797143			
13	**WARD CLLR**	**Mthembu**	**Lucas Sduduzo**	**8012270512087**	**M**			**717,401,464**			
	WC MEMBERS	Buthelezi	Phindile		F		Disability	079 909 7953			No
		Sithole	Nkululeko		M		Agriculture	082 071 7178			No
		Sosibo	Nomali		F		Ratepayer				No
		Vumisa	Njabulo	8410145439082	M		Transport	083 955 9067	Grade10	Yes	

		Khumalo	Mbali Octavia	8705020714081	F		Gender	060 846 7428	Diploma Accounting	Yes	
		Ngema	Msizi Lucky	9003265826086	M		Safety	081 477 8772	Grade 12		No
		Mahlangu	Zama	8002200535084	F		Religious	067 246 1076	Grade 11		No
		Mhlongo	Lungani	8410145439082	M		Education&Health	081 011 4860	PGCE Education		No
		Nyawo	Nonjabulo		F		Business	063 295 4792			
14	**WARD CLLR**	**Ngidi**	**Mbuyiseni Bhekizenzo**	**8001065280083**	**M**			**073 333 2442**			
	WC MEMBERS	Msingaphansi	Thembisile	6809140530086	F		Religion	063 795 6551	Grade 12		No
		Shongwe	Sabelo	4611245834082	M		Agriculture	076 300 6959	Grade 12	Yes	

		Ncwane	Princess Zama	9106180906089	F		Sports	072 407 9652	Grade 12		No
		Jele	Sibusiso	9903045478084	M		Business	065 853 3373	National Certificate	Yes	
		Mthembu	Ntombizodwa	7408190324085	F		Health	078 158 1695	Grade 12		No
		Ngema	Manqoba	8908316031089	M		Safety & Security	0660216434	Diploma in Health and Safety		No
		Mavuso	Mulungisi	8406145791084	M		Transport	078 397 4963	Grade12	Yes	
		sibiya	Nikiwe	9401160570082	F		Youth	0614261328			
		Shandu	Zakhele	7909085494081	M		P.W Disabilities	073 484 8879			
		Gumede	Nkululeko	9210185481088	M		Environment	081 236 0667			No
15	**WARD CLLR**	**Nxumalo**	**Nkanyiso**	**8507225853080**	**M**			072 174 8179			

	WC MEMBERS	Ndwandwe	Sizwe Lucas	8805236081083	M		Youth	066 397 1897	Grade 12		No
		Mthembu	Nondumiso	8610140635085	F		Rate	076 518 1165	Grade 12	Yes	
		Ngubane	Zamokuhle B	7103065317088	M		Business	0826148117	Grade 12	Yes	
		Mthembu	Malusi	8203235541012	M		Transport	079 742 1267	Standard 2	Yes	
		Luthuli	Bonga				Agriculture	076 453 1468			
		Nkosi	Zipho Reginald	7706265780083	M		Sport,Arts & Culture	083 509 8030	Grade 12	Yes	
		Zungu	Sboniso	8004225446081	M		Safety & Security	078 167 8492	Grade 9	Yes	
		Gamede	Maxwel Madoda	7304305421082			Disability	073 020 9211	Grade 11		
		Ntshalintshali	Ntandoyenkosi	9503080503083	M		Health & Social	603278436	grade 11		no
		Hleza	Bafana Percivel	7303096011086	M		Faith	084 296 70488	Grade 12	Yes	

16	**WARD CLLR**	**Mathonsi**	**Xolani Herbet**	**7602125553087**	**M**			**072 591 3879**			
	WC MEMBERS	Somveli	Nosiphesihle	9410251197085	F		Religious	079 597 9567	Grade 12		No
		Buthelezi	Muzi	9006233926084	M		Social Development	079 824 2126	Grade 12		No
		Mtshali	Sbusiso	7002235358081	M		Traditional	071 190 1744	Grade 10	Yes	
		Msweli	Lindani	7910155592085	M		Business	076 014 1122	Grade 8	Yes	
		Mkhize	Eunice Lindeni	7109280906082	F		Woman and elders	078 831 5110	Grade 7	Yes	
		Makhanya	Nkanyiso	8902176242088	M		Transport	076 749 1819	Grade 12.		No
		Nkosi	Goodman Ntuthuko	7912026007087	M		Safety	079 405 1735	Grade 12		No
		Qwabe	Zodwa	7906250791085	F		Disability	078 689 9350	Grade 12		No

		Khoza	Minenhle		F		Sport	067 188 7767	Grade 12		No
		Mthembu	Slindile	8910020687085	F		Youth	071 175 8403	Grade 11		No
17	**WARD CLLR**	**Ntuli**	**Sphesihle**		**M**						
	WC MEMBERS	Msweli	Phindile	9411091131086	F		Health & Social Dev.	060 689 6404	Grade 12		No
		Mfeka	Joseph Zimisele	9010106324080	M		Education	084 303 7417	Grade 12		No
		Khumalo	Linda	8311295915089	M		Disability	076 099 3003	Grade 12	Yes	
		Mbhele	Job		M		Religious				
		Mthembu	Vusumuzi	8809095893083	M		Busines	078 536 0134			
		Zungu	Sibongile Ntombifuthi	7003160877087	F		Women	071 634 4818			

		Mthethwa	Sam	7907245438089	M		Sport	083 594 4369			
		Shange	Nombuso Revival	9410260887080	F		Youth	079 449 1286			
18	**WARD CLLR**	**Mabhida**	**Senzakwenzeke Area**	8405025481089	**M**			**073 520 4973**			
	WC MEMBERS	Jama	Ntombizethu	8607130392081	F		Community Safety	076 272 3463	Grade 12		No
		Mgenge	Nonhlanhla	6911230382081	F		Health & Social Dev	073 134 9054	Grade 12	Yes	
		Thusi	Mjabulisi	7104145634080	M		People With Disabilities	066 561 3917	Grade 11	Yes	
		Nyawo	Bongiwe	6310090796084	F		Faith Based Organizations	063 74 4 4196	Grade 12	Yes	
		Majola	Thulani	8510035446087	M		Education	078 842 5944	Grade 8		No
		Nxumalo	Ella Sdudla	6711120612086	F		Women	079 9378733	Grade 11	Yes	

		Ntimbane	Bongani	7404205883083	M		Sport & Recreational	073 644 6842	Grade 12	Yes	
		Zungu	Sebenzile		F		Youth	060 712 9655	Grade 12		No
		Mathonsi	Sanele	9310056005089	M		Traditional	079 409 6363	Grade		No
		Nsibande	Nkosingiphile		F		Transort	079 452 7377			

APPENDIX G

Recommendations of the Municipal Audit Committee

NO.	ACTION/RESOLUTION	STATUS	RESPONSIBLE PERSON	TIMEFRAME	NARRATIVE
1	**DECCIPLINARY BOARD INDUCTION/WORKSHOP ON THEIR ROLES**	Achieved		30-	1. The members of disciplinary board were inducted on the 6th of

	<u>AND RESPONSIBILITIES</u> **It was resolved** a) The induction of members of the disciplinary board be done by 30 September 2023		MM & CAE	Sept-2023	February 2024 as part of training that was facilitated by KZN COGTA 2. The workshop was directed to all members of disciplinary board and MPAC members in all the municipalities in the province. 3. The disciplinary board workshop was conducted by Mr. Phello Moloi from KZN Provincial Treasury.

2	**SUPPLY CHAIN MANAGEMENT** **It was resolved** **a)** THAT, the acting CFO and manager SCM should provide a report on documents management within the SCM Units in the next Audit committee meeting.	Not Achieved	Acting CFO Manager SCM	30-Oct-2023	1. The report will be presented in the next audit committee meeting which is scheduled for the 21st of February 2023

3	**RISK MANAGEMENT COMMITTEE REPORT** **It was resolved**				This is still a challenge as cited in the

	a) THAT, Department must submit evidence files that must support the action plans that have been reported as achieved	Not Achieved	Risk Champions	Ongoing	Q2 report of RMC Chairperson as well as in the RMC meeting which sat on the 08th of February 2023
	b) THAT, the report of risk management committee must also cover the emerging risks and risks that materialized.	Achieved	RMC Chairperson	Ongoing	The report of RCM Chairperson covers emerging risk and risk that have materialized

4	**CONTRACT MANAGEMENT REPORT** a) THAT, the SCM Manager should provide an updated contract register which indicates true reflection of the status of service level agreements in the next audit committee meeting.	In progress	Manager SCM	21-Feb-2024	Updated report to be presented by Manager SCM.

APPENDIX H

Long-term contracts and private public partnerships

CONTRACTS REGISTER 30 JUNE 2025

CONTRACTS SCHEDULE			**START**	**END**	**CONTRACT VALUE AS**	**EXPENDITURE AS AT**	**CONTRACT/SLA STATUS**
JULY 2024- JUNE 2025	**ITEM**	**DURATION**	**DATE**	**DATE**	**PER AWARD LETTER**	**30-Jun-25**	
TECHNICAL SERVICES							
BVI CONSULTING ENGINEERS KZN	PANEL OF CONSULTANTS	3 YEARS	2018-07-25	2022-07-25	9.5% of the project construction cost for each project	R 2,505,204.99	ONGOING
NZAMAKHUZA HOLDINGS (PTY) LTD	PANEL OF CONSULTANTS	3 YEARS	2020-10-29	2023-10-29	10.5% of the project construction cost	R 2,623,285.61	ONGOING

VERITAS ENGINEERING	PANEL OF CONSULTANTS	3 YEARS	2018-07-25	2022-07-25	10% of the project construction cost for each project	R 59,125.84	ONGOING
SKYV CONSULTING ENGINEERS (PTY) LTD	PANEL OF CONSULTANTS	3 YEARS	2021-09-30	2024-09-30	13.5% of the project construction cost for each project	R 482,414.20	ONGOING
MORULA CONSULTING ENGINEERS & PRO	PANEL OF CONSULTANTS	3 YEARS	2021-09-30	2024-09-30	10% of the project construction cost for each project	R 31,432.70	ONGOING
UKWAKHA CONSULTING ENGINEERS	PANEL OF CONSULTANTS	3 YEARS	2018-07-25	2022-07-25	11% of the project construction cost for each project	R 2,620,569.44	ONGOING
HI TECH CONSULTING ENGINEERS	PANEL OF CONSULTANTS	3 YEARS	2021-09-27	2024-09-26	13.5% of the project construction cost for each project	R 908,426.79	Drafted, sent for signing
AFICOST JBFF PROJECT MANAGERS (PTY) LTD	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	14% of the project construction cost	R 1,422,091.02	SIGNED SLA IN PLACE

BRIMSTOHN CONSULTING JV	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	12% of the project construction cost	R -	SIGNED SLA IN PLACE
DLV PROJECT MANAGERS & ENGINEERS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	9.9% of the project construction cost	R 7,082,031.49	SIGNED SLA IN PLACE
ETILWENI (PTY) LTD	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	13.5% of the project construction cost	R -	SIGNED SLA IN PLACE
IMPUMELELO CONSULTING ENGINEERS (PTY) LTD	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	10.50% of the project construction cost	R -	SIGNED SLA IN PLACE
KUKHAYA PROJECTS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	10.50% of the project construction cost	R 1,062,129.59	SIGNED SLA IN PLACE
LIBEKO (PTY) LTD	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	12% of the project construction cost	R 3,038,248.33	SIGNED SLA IN PLACE
LZM AFRICA HOLDINGS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	13.50% of the project construction cost	R 681,130.76	SIGNED SLA IN PLACE

NGEJA CONSULTING ENGINEERS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	10.5% of the project construction cost	R 1,731,079.89	SIGNED SLA IN PLACE
SANOQWABE CONSULTANTS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	11% of the project construction cost	R 484,715.74	SIGNED SLA IN PLACE
SINGH GOVENDER & ASSOCIATES CC	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	11% of the project construction cost	R 2,256,723.44	SIGNED SLA IN PLACE
TKQ CONSULTING ENGINEERS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	11.5% of the project construction cost	R -	SIGNED SLA IN PLACE
URBANRU (PTY) LTD	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	11.5% of the project construction cost	R 1,332,226.53	SIGNED SLA IN PLACE
THESHANI TRADING ENTERPRISE	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	13.5% of the project construction cost	R -	SIGNED SLA IN PLACE

FDKL ENGINEERING CONSULTANTS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024/09/30	13.5% of the project construction cost	R 3,139,485.66	SIGNED SLA IN PLACE
PSMT CONSULTING ENGINEERS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024/09/30	12.5% of the project construction cost	R 1,219,056.02	SIGNED SLA IN PLACE
A-M CONSULTING ENGINEERS (PTY) LTD	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024/09/30	9.8% of the project construction cost	R 249,495.32	SIGNED SLA IN PLACE
IQHINA CONSULTING ENGINEERS & MANAGERS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024/09/30	14% of the project construction cost	R 650,279.75	SIGNED SLA IN PLACE
MINATHI CONSULTING	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	10% of the project construction cost	R 363,644.74	SIGNED SLA IN PLACE

ZLM PROJECT ENGINEERING	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	14% of the project construction cost	R 5,690,513.10	SIGNED SLA IN PLACE
MABALENGWE ENGINEERA	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	14% of the project construction cost	R -	Drafted, sent for signing
DPNC CONSULTING	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	14% of the project construction cost	R -	Drafted, sent for signing
THESHANI TRADING ENTERPRISE	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	14% of the project construction cost	R -	SIGNED SLA IN PLACE
GIBB ENGINEERING AND ARCHITECTURE	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	12% of the project construction cost	R 390,361.17	SLA sent to SP for for signing
MAP AFRICA CONSULTING	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	12.85% of the project construction cost	R -	SIGNED SLA IN PLACE

SIBAYA ENGINEERS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	14% of the project construction cost	R -	SIGNED SLA IN PLACE
SIYAZENZELA CONSULTING	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	14% of the project construction cost	R 20,675.32	Drafted, sent for signing
BHEKAPHEZULU INVESTMENTS	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 441,600.00	SIGNED SLA IN PLACE
EZAMALUNQA TRADING	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 517,040.00	SIGNED SLA IN PLACE
ISICHAKA ESINGENAMONA	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 516,260.00	SIGNED SLA IN PLACE

	MUNICIPALITY, AS AND WHEN REQUIRED						
MANANDA PROJECTS	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 172,500.00	SIGNED SLA IN PLACE
MLOBOMVU PROJECTS	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 931,500.00	SIGNED SLA IN PLACE
MVERLASE TRADING	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 1,022,827.50	SIGNED SLA IN PLACE

NEELAN'S AUTO CC	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 750,720.00	SIGNED SLA IN PLACE
ROADLOGIC CIVILS (PTY) LTD	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 959,100.00	SIGNED SLA IN PLACE
TRAILWAY TRANSPORT	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 1,369,765.00	SIGNED SLA IN PLACE
ZS CIVILS CONSTRUCTION	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 848,700.00	SIGNED SLA IN PLACE

AQUA TRANSPORT AND PLANT HIRE	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 282,831.00	SIGNED SLA IN PLACE
EZAMAKHUBA CONSTRUCTION	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 584,500.00	SIGNED SLA IN PLACE
NITHENSI (PTY) LTD	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 100,000.00	SIGNED SLA IN PLACE
BIG O TRADING 298 CC	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLYAND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 148,292.50	SIGNED SLA IN PLACE

ZISAYINI TRADING ENTERPRISE	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 122,187.50	SIGNED SLA IN PLACE
HUMBLE FRANK MULTI SERVICE	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R -	SIGNED SLA IN PLACE
AMATHOKOZAMAHLE TRADING	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 288,750.00	SIGNED SLA IN PLACE
SIKHULA EBUNYENI ENTERPRISE	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 163,322.50	SIGNED SLA IN PLACE

BUSANGOKWAKHE (PTY) LTD	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 151,250.00	SIGNED SLA IN PLACE
FIRED UP AUTO INDUSTRIAL	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 43,200.00	SIGNED SLA IN PLACE
MUSA AND SONS TRADING	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 302,500.00	SIGNED SLA IN PLACE
DESRAE LOGISTICE	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 110,660.48	SIGNED SLA IN PLACE

	AND EQUIPMENT FOR A PERIOD OF 3 YEARS						
DOLPHIN COAST TOWING	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 381,548.41	SIGNED SLA IN PLACE
NEELAN'S AUTO CC	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 245,214.55	SIGNED SLA IN PLACE

NKOSI AUTOMOTIVE (PTY) LTD	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 178,555.06	SIGNED SLA IN PLACE
POWERSPARES ISITHEBE	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 167,057.39	SIGNED SLA IN PLACE
SAMUEL AUTOMOTIVE	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 328,927.39	SIGNED SLA IN PLACE

SIYAVUKA SUPPLY SERVICES	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 477,989.13	SIGNED SLA IN PLACE
TAURUS HYDRULICS	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 277,770.10	SIGNED SLA IN PLACE
R BUSISIWE (PTY) LTD	APPOINTMENT FOR A MAXIMUM PANEL OF 03 SERVICE PROVIDERS TO SUPPLY, INSTALL AND REPAIR OF AIRCONDITIONERS FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/25	rate based	R -	DRAFT SENT TO USER DEP. FOR APPROVAL

MSEBE CONTRACTING	APPOINTMENT FOR A MAXIMUM PANEL OF 03 SERVICE PROVIDERS TO SUPPLY, INSTALL AND REPAIR OF AIRCONDITIONERS FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/16	2027/07/15	rate based	R 17,710.00	DRAFT SENT TO USER DEP. FOR APPROVAL
LAMAZWIDE PROJECTS	APPOINTMENT FOR A MAXIMUM PANEL OF 03 SERVICE PROVIDERS TO SUPPLY, INSTALL AND REPAIR OF AIRCONDITIONERS FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/16	2027/07/15	rate based	R -	DRAFT SENT TO USER DEP. FOR APPROVAL
FUZE BUSINESS INITIATIVE	ESTABLISHMENT OF PANEL OF SERVICE PROVIDERS FOR THE SOURCING SOCIAL AND ECONOMIC INFRASTRUCTURE INVESTMENT CAPITAL PROPOSAL FOR A PERIOD OF 3 (THREE) YEARS	3 YEARS	2024/08/05	2027/08/05	rate based	R -	NO PROJECT ALLOCATED TO THE SP.

RSTE UTILITYSERVICES	ESTABLISHMENT OF PANEL OF SERVICE PROVIDERS FOR THE SOURCING SOCIAL AND ECONOMIC INFRASTRUCTURE INVESTMENT CAPITAL PROPOSAL FOR A PERIOD OF 3 (THREE) YEARS	3 YEARS	2024/08/05	2027/08/05	rate based	R -	NO PROJECT ALLOCATED TO THE SP.
ATC INDUSTRIES (PTY) LTD	PANEL OF THREE (3) SERVICES PROVIDERS TO ASSIST WITH TRAFFIC SIGNALS SPARES AND REPAIRS ON EMERGENCY BREAKDOWNS	3 YEARS	2024/12/10	2027/12/10	rate based	R -	DRAFT SENT TO USER DEP. FOR APPROVAL
WENZAN ELECTRICAL SERVICES	PANEL OF THREE (3) SERVICES PROVIDERS TO ASSIST WITH TRAFFIC SIGNALS SPARES AND REPAIRS ON EMERGENCY BREAKDOWNS	3 YEARS	2024/12/10	2027/12/10	rate based	R -	DRAFT SENT TO USER DEP. FOR APPROVAL
WORTHKINGS	PANEL OF THREE (3) SERVICES PROVIDERS TO ASSIST WITH TRAFFIC SIGNALS SPARES AND REPAIRS ON EMERGENCY BREAKDOWNS	3 YEARS	2024/12/10	2027/12/10	rate based	R -	DRAFT SENT TO USER DEP. FOR APPROVAL

IJUBANE INVESTMENTS	A MAXIMUM PANEL OF (5) SERVICE PROVIDERS TO ASSIST WITH ELECTRICAL REPAIRS ON BREAKDOWNS AND PLANNED OPERATIONS AND MAINTENANCE FOR A PERIOD OF 3 YEARS (AS AND WHEN REQUIRED) BY THE MANDENI MUNICIPALITY.	3 YEARS	2025/01/06	2028/01/05	rate based	R 145,645.20	DRAFT SENT TO USER DEP. FOR APPROVAL
ONOMBUTHU (PTY) LTD	A MAXIMUM PANEL OF (5) SERVICE PROVIDERS TO ASSIST WITH ELECTRICAL REPAIRS ON BREAKDOWNS AND PLANNED OPERATIONS AND MAINTENANCE FOR A PERIOD OF 3 YEARS (AS AND WHEN REQUIRED) BY THE MANDENI MUNICIPALITY.	3 YEARS	2025/01/06	2028/01/05	rate based	R -	DRAFT SENT TO USER DEP. FOR APPROVAL

KB LEVEL CONSTRUCTION	A MAXIMUM PANEL OF (5) SERVICE PROVIDERS TO ASSIST WITH ELECTRICAL REPAIRS ON BREAKDOWNS AND PLANNED OPERATIONS AND MAINTENANCE FOR A PERIOD OF 3 YEARS (AS AND WHEN REQUIRED) BY THE MANDENI MUNICIPALITY.	3 YEARS	2025/01/06	2028/01/05	rate based	R -	DRAFT SENT TO USER DEP. FOR APPROVAL
WORTHKINGS	A MAXIMUM PANEL OF (5) SERVICE PROVIDERS TO ASSIST WITH ELECTRICAL REPAIRS ON BREAKDOWNS AND PLANNED OPERATIONS AND MAINTENANCE FOR A PERIOD OF 3 YEARS (AS AND WHEN REQUIRED) BY THE MANDENI MUNICIPALITY.	3 YEARS	2025/01/06	2028/01/05	rate based	R -	DRAFT SENT TO USER DEP. FOR APPROVAL

WENZAN ELECTRICAL SERVICES	A MAXIMUM PANEL OF (5) SERVICE PROVIDERS TO ASSIST WITH ELECTRICAL REPAIRS ON BREAKDOWNS AND PLANNED OPERATIONS AND MAINTENANCE FOR A PERIOD OF 3 YEARS (AS AND WHEN REQUIRED) BY THE MANDENI MUNICIPALITY.	3 YEARS	2025/01/06	2028/01/05	rate based	R -	DRAFT SENT TO USER DEP. FOR APPROVAL
OMM							
MALUME MOTORING SCHOOL	YOUTH DRIVER'S LICENCE COURSE	3 YEARS	2024-04-03	2027-04-03	R 1,166,400.00	R 378,500.00	SIGNED SLA IN PLACE

PHUMLANI NGUBANE	ESTABLISHMENT OF A PANEL OF MINIMUM OF FIVE (5) FIRMS OF ATTORNEYS FOR THE MUNICIPALITY FOR A PERIOD OF 3 YEARS	3 YEARS	2022-07-25	2025-07-25	Transactional basis	R 4,447,342.18	SIGNED SLA IN PLACE
TEMBE KHESWA NXUMALO INC	ESTABLISHMENT OF A PANEL OF MINIMUM OF FIVE (5) FIRMS OF ATTORNEYS FOR THE MUNICIPALITY FOR A PERIOD OF 3 YEARS	3 YEARS	2022-07-25	2025-07-25	Transactional basis	R 2,307,001.91	SIGNED SLA IN PLACE
MHLANGA INCORPORATED	ESTABLISHMENT OF A PANEL OF MINIMUM OF FIVE (5) FIRMS OF ATTORNEYS FOR THE MUNICIPALITY FOR A PERIOD OF 3 YEARS	3 YEARS	2022-07-25	2025-07-25	Transactional basis	R 1,247,445.79	SIGNED SLA IN PLACE
BHEKISISA GOQO & CO	ESTABLISHMENT OF A PANEL OF MINIMUM OF FIVE (5) FIRMS OF ATTORNEYS FOR THE MUNICIPALITY FOR A PERIOD OF 3 YEARS	3 YEARS	2022-07-25	2025-07-25	Transactional basis	R 87,931.40	SIGNED SLA IN PLACE
MEMELA AND ASSOCIATES	ESTABLISHMENT OF A PANEL OF MINIMUM OF FIVE (5) FIRMS OF ATTORNEYS FOR THE MUNICIPALITY FOR A PERIOD OF 3 YEARS	3 YEARS	2022-07-25	2025-07-25	Transactional basis	R 184,826.76	SIGNED SLA IN PLACE

INNOVATION GOVERNMENT SOFTWARE	IMPLEMENTATION OF PMS AUTOMATED SYSTEM FOR 36 MONTHS	3 YEARS	2023-09-01	2026-08-31	R 3,199,787.50	R 862,749.98	SIGNED SLA IN PLACE
UNLIMITED ABC TRADING AND PROJECTS	A MAXIMUM PANEL OF FIVE SERVICE PROVIDERS TO SUPPLY AND DELIVER SPORTING EQUIPMENT, KITS, TRACKSUITS AND OTHER SPORTING GEAR/ATTIRE FOR A PERIOD OF 3 YEARS.	3 YEARS	2024-10-01	2027-09-30	Transactional basis	R 184,505.00	DRAFT SENT TO USER DEP. FOR APPROVAL
FANA MANUFACTURING	A MAXIMUM PANEL OF FIVE SERVICE PROVIDERS TO SUPPLY AND DELIVER SPORTING EQUIPMENT, KITS, TRACKSUITS AND OTHER SPORTING GEAR/ATTIRE FOR A PERIOD OF 3 YEARS.	3 YEARS	2024-10-01	2027-09-30	Transactional basis	R 858,185.20	DRAFT SENT TO USER DEP. FOR APPROVAL
VUKALUSHA TRADING ENTERPRISE	A MAXIMUM PANEL OF FIVE SERVICE PROVIDERS TO SUPPLY AND DELIVER SPORTING EQUIPMENT, KITS, TRACKSUITS AND OTHER SPORTING	3 YEARS	2024-10-01	2027-09-30	Transactional basis	R 146,190.00	DRAFT SENT TO USER DEP. FOR APPROVAL

	GEAR/ATTIRE FOR A PERIOD OF 3 YEARS.						
KAYOSI TRADING	A MAXIMUM PANEL OF FIVE SERVICE PROVIDERS TO SUPPLY AND DELIVER SPORTING EQUIPMENT, KITS, TRACKSUITS AND OTHER SPORTING GEAR/ATTIRE FOR A PERIOD OF 3 YEARS.	3 YEARS	2024-10-01	2027-09-30	Transactional basis	R 275,471.00	DRAFT SENT TO USER DEP. FOR APPROVAL
COMMUNITY SERVICES							
NJOMISA BOERDERY	ANIMAL POUND SERVICES	3 YEARS	2022-09-21	2025-09-20	R 1,575,284.88	R 1,002,224.99	SIGNED SLA IN PLACE

EZAMALUNQA TRADING	PROVISION OF SECURITY SERVICES	3 YEARS	2023-01-01	2025-12-31	R 27,869,400.00	R 26,164,606.51	SIGNED SLA IN PLACE
SNOBHO (PTY) LTD	SUPPLY AND DELIVER BLACK & YELLOW REFUSE BAGS	3 YEARS	2023-03-06	2026-02-28	R 6,955,200.00	R 2,691,000.00	SIGNED SLA IN PLACE
PRO SECURE	PROVISION OF VIP PROTECTION SERVICES	3 YEARS	2024-12-17	2027-12-17	Transactional basis	R 476,100.00	DRAFT SENT TO USER DEP. FOR APPROVAL
THAKA SECURITY SOLUTION	PROVISION OF VIP PROTECTION SERVICES	3 YEARS	2024-12-17	2027-12-17	Transactional basis		DRAFT SENT TO USER DEP. FOR APPROVAL
EZAMALUNQA TRADING	PROVISION OF VIP PROTECTION SERVICES	3 YEARS	2024-12-17	2027-12-17	Transactional basis		DRAFT SENT TO USER DEP. FOR APPROVAL
DOLPHIN COAST LANDFILL MANAGEMENT	PROVISION OF WASTE DISPOSAL FACILITY TO THE MANDENI MUNICIPALITY FOR A PERIOD OF THREE YEARS	2 YEARS	2025-01-01	2026-12-31	Transactional basis	R 1,268,562.24	DRAFT SENT TO SERVICE PROVIDER. FOR SIGNING

AMANGEMA SERVICES	PANEL OF A MAXIMUM OF 03 SERVICE PROVIDERS FOR THE PROVISION OF INDIGENT AND PAUPER BURIALS WITHIN MANDENI MUNICIPALITY FOR A PERIOD OF 36 MONTHS	3 YEARS	2025-01-06	2028-01-05	Transactional basis	R 40,438.72	CONTRACT SENT TO USER DEP. FOR APROVAL
ISULETHU FUNERAL SERVICES	PANEL OF A MAXIMUM OF 03 SERVICE PROVIDERS FOR THE PROVISION OF INDIGENT AND PAUPER BURIALS WITHIN MANDENI MUNICIPALITY FOR A PERIOD OF 36 MONTHS	3 YEARS	2025-01-06	2028-01-05	Transactional basis	R -	CONTRACT SENT TO USER DEP. FOR APROVAL
CORPORATE SERVICES							

ESKOM	ELECTRICITY SUPPLY	ONGOING	2007-07-26	ONGOING	Charge per usage	R 130,987,436.07	ONGOING
MOBILE TELEPHONE NETWORKS (MTN)	3G MODEM FOR 87 USERS	3 YEARS	2024-02-01	2027-01-31	R 803,268.00	R 214,113.05	SIGNED SLA IN PLACE
IMVOKOQA SOLUTIONS (PTY) LTD	ICT PANNEL OF SERVICE PROVIDERS	3 YEARS	2023-02-20	2026-02-19	R 694,692.00	R 461,924.00	SIGNED SLA IN PLACE
KAYOSI TRADING	BULK UNIFORMS & PPE	3 YEARS	2023-03-10	2026-03-09	Unit cost based	R 4,474,293.82	SIGNED SLA IN PLACE
MIN MAP ENTERPRISES AND SERVICES	BULK UNIFORMS & PPE	3 YEARS	2023-03-10	2026-03-09	Unit cost based	R -	SIGNED SLA IN PLACE

UNLIMITED ABC	BULK UNIFORMS & PPE	3 YEARS	2023-03-10	2026-03-09	Unit cost based	R 7,728.00	PURCHASE ORDER ISSUED
KONICA MINOLTA T/A BIDVEST	OFFICE AUTOMATION	3 YEARS	2023-07-01	2026-06-30	R 3,499,506.36	R 1,395,450.88	SIGNED SLA IN PLACE
EMALANGENI TECHNOLOGIES	SD-WAN , VPN AND IP TELEPHONY SOLUTION	3 YEARS	2023-08-01	2026-07-31	R 6,961,762.59	R 2,872,057.82	SIGNED SLA IN PLACE
CITY OF CHOICE TRAVELS	TRAVEL AGENT	3 YEARS	2023-08-10	2026-08-09	Unit cost based	R 4,542,683.86	SIGNED SLA IN PLACE
ADVISORY IT	IMPLEMENTATION OF PROJECT MANAGEMENT OFFICE SYSTEM FOR 36 MONTHS	3 YEARS	2023-09-01	2026-08-31	R 2,000,000.00	R 1,594,600.49	SIGNED SLA IN PLACE

EMALANGENI TECHNOLOGIES	SUPPLY, INSTALLATION AND MAINTENANCE OF INTERGRATED TELECOMMUNICATION SOLUTION	3 YEARS	2023-10-05	2026-10-04	R 15,807,366.68	R 1,519,642.74	SIGNED SLA IN PLACE
MALUTHULI CONSULTING	LEASING OF PARKHOME OFFICES	3 YEARS	2023-11-01	2026-10-31	R 2,808,000.00	R 981,000.00	SIGNED SLA IN PLACE
BAMBHANANI ENTERPRISES	SUPPORT AND MAINTAIN A CLOUD BACK UP AND DISASTER RECOVERY	3 YEARS	2023-11-05	2026-10-31	Unit cost based	R 6,706,367.53	SIGNED SLA IN PLACE
MOBILE TELEPHONE NETWORKS (MTN)	3G MODEM FOR 87 USERS	2 YEARS	2024-02-01	2023-10-14	R 803,268.00	R 124,862.12	SIGNED SLA IN PLACE
ADVISORY IT	DEVELOPMENT AND INSTALLATION OF AUTOMATED BOOKING SYSTEM FOR HALLS AND FACILITIES	2 YEARS	2024-05-06	2026-05-05	R 3,000,000.00	R 2,442,500.01	SIGNED SLA IN PLACE
SONANI TRADING AND COMMUNICATION	PANEL TO CONDUCT TRAININGS FOR THE MUNICIPALITY STAFF	3 YEARS	2024-05-30	2027-05-29	Transactional Basis	R 347,875.00	SIGNED SLA IN PLACE

AGRIOPERATIONS HUB (PTY) LTD	PANEL TO CONDUCT TRAININGS FOR THE MUNICIPALITY STAFF	3 YEARS	2024-05-30	2027-05-29	Transactional Basis	R 226,860.50	SIGNED SLA IN PLACE
MORAR INCORPORATED	PANEL TO CONDUCT TRAININGS FOR THE MUNICIPALITY STAFF	3 YEARS	2024-05-30	2027-05-29	Transactional Basis	R 48,300.00	SIGNED SLA IN PLACE
BIDVEST STEIGNER	HYGINE SERVICES	3 YEARS	2024-07-16	2027-07-15	R 2,353,403.35	R 6,565,663.99	SIGNED SLA IN PLACE
ZAR TECHNOLOGIES	RENEWAL OF MICROSOFT AND BARACUDA LICENCES FOR A PERIOD OF 12 MONTHS.	1 YEAR	2024-12-06	2025-12-06	R 2,167,633.45	R 2,167,633.45	SIGNED SLA IN PLACE
COURTESY GROUP	ESTABLISHMENT OF A PANEL OF MAXIMUM OF THREE (3) SERVICE PROVIDERS FOR THE ADVERTISING SERVICES FOR A PERIOD OF THREE (3) YEARS	3 YEARS	2025-01-06	2028-01-06	Transactional Basis	R 23,357.00	SIGNED SLA IN PLACE

MALUTHULI CONSULTING	ESTABLISHMENT OF A PANEL OF MAXIMUM OF THREE (3) SERVICE PROVIDERS FOR THE ADVERTISING SERVICES FOR A PERIOD OF THREE (3) YEARS	3 YEARS	2025-01-06	2028-01-06	Transactional Basis	R 67,314.00	SIGNED SLA IN PLACE
AYANDA MBANGA COMMUNICATIONS	ESTABLISHMENT OF A PANEL OF MAXIMUM OF THREE (3) SERVICE PROVIDERS FOR THE ADVERTISING SERVICES FOR A PERIOD OF THREE (3) YEARS	3 YEARS	2025-01-06	2028-01-06	Transactional Basis	R 42,482.51	DRAFT SENT TO SERVICE PROVIDER. FOR SIGNING
IZIGCWETI ICT SOLUTIONS	STRATEGIC DEVELOPMENT OF CYBER-SECURITY GOVERNANCE AND ADVISORY SERVICES FOR A PERIOD OF 36 MONTHS	3 YEARS	2025-05-06	2028-05-06	R 2 616 751.48	R 246,960.00	
BTO							

UMHLABA GEOMATICS	GENERAL VALUATION & PREPARATION OF A VALUATION ROLL	3 YEARS	2022-08-17	2025-08-17	R 1,145,000.00	R 999,552.89	SLA IN PLACE
FNB	BANKING SERVICES	5 YEARS	2021-06-01	2026-05-30	Charged per transaction	R -	SLA IN PLACE
PAY DAY SOFTWARE SYSTEMS	PAY ROLL AND HR SYSTEMS	3 YEARS	2023-11-02	2026-11-02	R 1,570,058.20	R 464,544.80	SLA IN PLACE
KUNENE MAKOPO	SHORT - TERM INSURANCE-ASSETS	3 YEARS	2023-10-01	2026-09-30	R 4,607,168.78	R 1,837,690.73	SLA IN PLACE
MBD CONSULTING	SOURCING OF SOCIAL AND ECONOMIC INFRASTRUCTURE INVESTMENT CAPITAL PROPOSAL FOR A PERIOD OF 3 (THREE) YEARS	3 YEARS	2024-08-05	2027-08-04	10.00%	R 830,993.02	SLA IN PLACE
MAXIMUM PROFIT-MAXPROF	SOURCING OF SOCIAL AND ECONOMIC INFRASTRUCTURE INVESTMENT CAPITAL PROPOSAL FOR A PERIOD OF 3 (THREE) YEARS	3 YEARS	2024-08-05	2027-08-04	14375.00%		SLA IN PLACE

CONLOG (PTY) LIMITED	SMART METRES	3 YEARS	2024-08-30	2027-08-29		R 1,855,553.99	TRANSVERSAL CONTRACT
CCG TECHNOLOGY GROUP	MSCOA	3 YEARS	2016-11-07	2027-10-31	R 12,637,761.50	R 9,263,561.38	SLA IN PLACE
PREPARED BY: NN NXUMALO	**SIGN:**						
SCM PRACTITIONER: DEMAND							
REVIEWED BY : MR. MP BHODOZA	**SIGN:**						
MANAGER SCM							

APPENDIX I

Municipal Entity/Service providers performance schedule

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

Bid Number	**Name of external Service Provider**	**Date Contract Awarded**	**Service provided in terms of the SLA**	**Value of project**	**Current Financial Year 2024/25**		**Performance of Service Provider**		
					Actual	**Target**	**G**	**S**	**P**
21/22/23	Snobho	2023/05/01	Supply of Refuse bags	R 6 955 200.00			G		
24/21/22	Umhlaba geomatics	17/08/2022	General valuation roll and preparation and updating of valuation roll for implementation for period 1 July 2023 to 30 June 2026	R 1 145 000.00				S	

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Current Financial Year 2024/25		Performance of Service Provider		
					Actual	Target	G	S	P
8/2/344	BHEKAPHEZULU INVESTMENTS AND SALES	13/12/2022	Construction of DLTC and DMC administration offices	R14,017,239.00					P
15/19/20	EMALANGENI TECHNOLOGIES	01/07/2023	SUPPLY, INSTALLATION AND MAINTENANCE OF SD-WAN/VPN AND IP TELEPHONY SOLUTION FOR A PERIOD OF THREE (3) YEARS	R 6,961,762.59					P
17/22/23	Ezamalunqa trading (pty) ltd	12/12/2022	Provision of security services, additional sites	R29,901,150.00			G		
28/21/22	Njomisa Broedery	21/09/2022	Animal pound	R1,575,284.88				S	
47/22/23/19	IQHAWE ELIHLE TRADING (PTY) LTD	3/5/2025	REHABILITATION OF BUMBANANI ROAD IN SUNDUMBILI -	R 15,154,453.71				S	

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Current Financial Year 2024/25		Performance of Service Provider		
					Actual	Target	G	S	P
			WARD 13, 14 & 15 PHASE 1						
47/22/23/23	SILO CONSTRUCTION SA	17/09/2024	UPGRADE OF MACHIBINI LINK ROAD TO ISITHEBE IN WARD 10 AND 12: PHASE 2 (CH1990 TO CH3541	R 20,999,924.11				S	
47/22/23/43	BIG O TRADING	22/10/2024	COMPLETION OF THE "REHABILITATION OF INTERNAL ROADS AND UPGRADE OF ASSOCIATED STORMWATER IN SUNDUMBILI WARD 13 PHASE 1"	R 6,498,480.95				S	
S47/22/23/49	SIHAWUSETHU TRADING (PTY) LTD	12/12/2024	CONSTRUCTION OF A SPORSTFIELD IN HLOMENDLINI IN WARD 4,	R 6,171,042.60				S	

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Current Financial Year 2024/25		Performance of Service Provider		
					Actual	Target	G	S	P
			MANDENI						
47/22/23/50	NIKERESA CONSTRUCTION	17/12/2024	CONSTRUCTION OF A SPORSTFIELD & COMBO COURT IN KHENANA IN WARD 10, MANDENI – PHASES 1 & 2	R 10,600,230.99				S	
21/23/24/01	CHASHAZA (PTY) LTD	24/01/2025	CONSTRUCTION OF MUNICIPAL MINI FACTORIES IN KHENANA AREA, WARD 10 - PHASE 2A	R 2,799,829.22				S	
47/22/23/51	MUSA AND SONS TRADING ENTERPRISE (PTY) LTD	9/6/2025	THE REGRAVELLING OF THENGELA TO NAZARETH TEMPLE IN WARD 8, MANDENI	R 2,296,110.99				S	
47/22/23/52	AMATHOKOZAM AHLE (PTY) LTD	9/6/2025	THE REGRAVELLING OF THULAS AND EMATSHEKETS	R 2,493,885.89				S	

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Current Financial Year 2024/25		Performance of Service Provider		
					Actual	Target	G	S	P
			HENI IN WARD 12, MANDENI						
21/23/24/02	SIYARORO TRADING	9/6/2025	CONSTRUCTION OF A COMMUNITY HALL IN THE WANGU AREA, WARD 8	R 7,180,245.34				S	
8/2/344	BHEKAPHEZULU INVESTMENTS AND SALES	6/6/2025	THE EXTENTION OF MECHANICAL WORKSHOP AND CONSTRUCTION OF A NEW OFFICE BLOCK	R 17,404,887.32					P

APPENDIX J

Financial disclosure of financial interests

Mandeni Municipality have all 6 Senior Managers signed their performance agreements, accompanied by declaration of financial interests, the Municipality complied with submission to COGTA. The performance agreements were also commissioned by officer of oaths. During 2024/25 financial year all Senior managers managed to sign their performance agreements with the required timeframe which was 31 July 2025.

APPENDIX K

Financial Performance (Revenue and expenditure by municipal vote)

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousands	Ref
Revenue by Vote	1
Vote 1 - Executive and council	
Vote 2 - Finance and administration	
Vote 3 - Internal audit	
Vote 4 - Community and social services	
Vote 5 - Sport and Recreation	
Vote 6 - Public safety	
Vote 7 - Housing	
8 - Planning and Development	
Vote 9 - Road transport	
Vote 10 - Energy sources	
Vote 11 - Waste Management	
Vote 12 - Environmental Protection	
Vote 13 - [NAME OF VOTE 13]	
Vote 14 - [NAME OF VOTE 14]	
Vote 15 - [NAME OF VOTE 15]	
Total Revenue by Vote	2

Expenditure by Vote	1
Vote 1 - Executive and council	
Vote 2 - Finance and administration	
Vote 3 - Internal audit	
Vote 4 - Community and social services	
Vote 5 - Sport and Recreation	
Vote 6 - Public safety	
Vote 7 - Housing	
Vote 8 - Planning and Development	
Vote 9 - Road transport	
Vote 10 - Energy sources	
Vote 11 - Waste Management	
Vote 12 - Environmental Protection	
Vote 13 - [NAME OF VOTE 13]	
Vote 14 - [NAME OF VOTE 14]	
Vote 15 - [NAME OF VOTE 15]	
Total Expenditure by Vote	2
Surplus/ (Deficit) for the year	2

References

1. Insert 'Vote'; e.g. Department, if different to standard classification structure

2. Must reconcile to Monthly Budget Statement - Financial Performance Statement (standard classification)

APPENDIX L

CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

KZN291 Mandeni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2022/23	2023/24	Current Year 2024/25
R thousand		Audited Outcome	Audited Outcome	Original Budget
RECEIPTS:	1, 2			
-				
Operating Transfers and Grants				
National Government:		**226,675**	**243,657**	**247,203**
EPWP Incentive	_	4,807	3,784	1,815
Finance Management	_	1,850	1,850	1,800
Integrated National Electrification Programme	_	7,200	7,200	–

Local Government Equitable Share	_	212,818	230,823	243,588
Municipal Infrastructure Grant	_	–	–	–
Other transfers/grants [insert description]				
Provincial Government:		**13,842**	**19,255**	**4,619**
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant description)_Receipts	_	13,680	19,093	4,619
KwaZulu-Natal_Infrastructure_Specify (Add grant description)_Receipts	_	162	162	–
District Municipality:		**–**	**–**	**–**
[insert description]				
Other grant providers:		**–**	**–**	**–**
[insert description]				
Total Operating Transfers and Grants	5	**240,517**	**262,912**	**251,822**
Capital Transfers and Grants				
National Government:		**–**	**3,576**	**–**
Municipal Infrastructure Grant (MIG)	_	–	–	–
Integrated National Electrification Programme Grant	_	–	3,576	–
Other capital transfers/grants [insert desc]				
Provincial Government:		**50,633**	**50,633**	**–**
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS	_	50,633	50,633	–
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS	_	2,500	–	–
District Municipality:		**–**	**–**	**–**
[insert description]				

Other grant providers:		**–**	**–**	**–**
[insert description]				
Total Capital Transfers and Grants	5	**50,633**	**54,209**	**–**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**291,151**	**317,121**	**251,822**

CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

APPENDIX M

Appendix M (i)- Capital Expenditure -New Assets Programmes

KZN291 Mandeni - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2021/22	2022/23	2024/25	Budget Year 2025/26			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**6 283**	**7 788**	**11 236**	**14 478**	**8 379**	**8 379**	**23 180**	**–**	**–**
Roads Infrastructure		6 283	7 661	7 886	9 739	5 633	5 633	20 510	–	–
Roads		6 283	7 661	7 886	4 696	4 298	4 298	17 467	–	–
Road Structures		–	–	–	1 304	870	870	1 739	–	–
Road Furniture		–	–	–	3 739	465	465	1 304	–	–
Capital Spares		–	–	–	–	–	–	–	–	–

Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	127	1 849	2 713	1 055	1 055	870	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	127	1 849	2 278	794	794	–	–	–
HV Switching Station		–	–	–	435	261	261	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	435	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	435	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	70	36	36	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–

Reticulation	–	–	–	–	–	–	–	–	–
Waste Water Treatment Works	–	–	–	–	–	–	–	–	–
Outfall Sewers	–	–	–	–	–	–	–	–	–
Toilet Facilities	–	–	–	70	36	36	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	–	–	1 500	1 739	1 560	1 560	1 626	–	–
Landfill Sites	–	–	–	–	–	–	–	–	–
Waste Transfer Stations	–	–	–	–	–	–	756	–	–
Waste Processing Facilities	–	–	–	–	–	–	–	–	–
Waste Drop-off Points	–	–	1 500	1 739	1 560	1 560	870	–	–
Waste Separation Facilities	–	–	–	–	–	–	–	–	–
Electricity Generation Facilities	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Rail Lines	–	–	–	–	–	–	–	–	–
Rail Structures	–	–	–	–	–	–	–	–	–
Rail Furniture	–	–	–	–	–	–	–	–	–
Drainage Collection	–	–	–	–	–	–	–	–	–
Storm water Conveyance	–	–	–	–	–	–	–	–	–
Attenuation	–	–	–	–	–	–	–	–	–
MV Substations	–	–	–	–	–	–	–	–	–
LV Networks	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	217	96	96	174	–	–
Sand Pumps	–	–	–	–	–	–	–	–	–
Piers	–	–	–	–	–	–	–	–	–
Revetments	–	–	–	–	–	–	–	–	–
Promenades	–	–	–	–	–	–	–	–	–

Capital Spares	–	–	–	217	96	96	174	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Data Centres	–	–	–	–	–	–	–	–	–
Core Layers	–	–	–	–	–	–	–	–	–
Distribution Layers	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Community Assets	**16 425**	**14 792**	**30 610**	**15 796**	**22 615**	**22 615**	**13 464**	**12 568**	**12 882**
Community Facilities	7 811	11 048	23 398	6 870	9 974	9 974	10 157	9 387	9 622
Halls	3 643	–	137	1 304	1 870	1 870	8 983	9 387	9 622
Centres	3 953	9 161	18 054	609	1 409	1 409	522	–	–
Crèches	–	–	–	–	–	–	–	–	–
Clinics/Care Centres	–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	–	–	–	–	–	–	–	–	–
Testing Stations	–	–	–	–	–	–	–	–	–
Museums	–	–	–	–	–	–	–	–	–
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	435	–	–
Libraries	–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria	–	–	–	2 174	2 174	2 174	–	–	–
Police	–	–	–	–	–	–	–	–	–
Parks	–	–	–	174	174	174	–	–	–
Public Open Space	–	–	–	–	–	–	–	–	–
Nature Reserves	–	–	–	–	–	–	–	–	–
Public Ablution Facilities	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Stalls	214	1 888	5 206	2 609	4 348	4 348	217	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Airports	–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–	–	–

Capital Spares	–	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	8 614	3 744	7 212	8 927	12 641	12 641	3 307	3 180	3 260	
Indoor Facilities	–	–	–	–	–	–	–	–	–	
Outdoor Facilities	8 614	3 744	7 212	8 927	12 641	12 641	3 307	3 180	3 260	
Capital Spares	–	–	–	–	–	–	–	–	–	
Heritage assets	–	–	–	–	–	–	–	–	–	
Monuments	–	–	–	–	–	–	–	–	–	
Historic Buildings	–	–	–	–	–	–	–	–	–	
Works of Art	–	–	–	–	–	–	–	–	–	
Conservation Areas	–	–	–	–	–	–	–	–	–	
Other Heritage	–	–	–	–	–	–	–	–	–	
Investment properties	–	–	–	–	–	–	–	–	–	
Revenue Generating	–	–	–	–	–	–	–	–	–	
Improved Property	–	–	–	–	–	–	–	–	–	
Unimproved Property	–	–	–	–	–	–	–	–	–	
Non-revenue Generating	–	–	–	–	–	–	–	–	–	
Improved Property	–	–	–	–	–	–	–	–	–	
Unimproved Property	–	–	–	–	–	–	–	–	–	
Other assets	–	–	**1 723**	**5 652**	**10 082**	**10 082**	**435**	**454**	**466**	
Operational Buildings	–	–	1 723	5 652	10 082	10 082	435	454	466	
Municipal Offices	–	–	1 723	5 217	9 647	9 647	435	454	466	
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–	
Building Plan Offices	–	–	–	–	–	–	–	–	–	
Workshops	–	–	–	–	–	–	–	–	–	
Yards	–	–	–	435	435	435	–	–	–	
Stores	–	–	–	–	–	–	–	–	–	
Laboratories	–	–	–	–	–	–	–	–	–	
Training Centres	–	–	–	–	–	–	–	–	–	

Manufacturing Plant	–	–	–	–	–	–	–	–	–	
Depots	–	–	–	–	–	–	–	–	–	
Capital Spares	–	–	–	–	–	–	–	–	–	
Housing	–	–	–	–	–	–	–	–	–	
Staff Housing	–	–	–	–	–	–	–	–	–	
Social Housing	–	–	–	–	–	–	–	–	–	
Capital Spares	–	–	–	–	–	–	–	–	–	
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–	
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–	
Intangible Assets	–	–	2 124	–	–	–	–	–	–	
Servitudes	–	–	–	–	–	–	–	–	–	
Licences and Rights	–	–	2 124	–	–	–	–	–	–	
Water Rights	–	–	–	–	–	–	–	–	–	
Effluent Licenses	–	–	–	–	–	–	–	–	–	
Solid Waste Licenses	–	–	–	–	–	–	–	–	–	
Computer Software and Applications	–	–	2 124	–	–	–	–	–	–	
Load Settlement Software Applications	–	–	–	–	–	–	–	–	–	
Unspecified	–	–	–	–	–	–	–	–	–	
Computer Equipment	–	–	1 030	957	992	992	1 570	132	139	
Computer Equipment	–	–	1 030	957	992	992	1 570	132	139	
Furniture and Office Equipment	19 890	51 998	52 559	1 739	1 687	1 687	765	45	47	
Furniture and Office Equipment	19 890	51 998	52 559	1 739	1 687	1 687	765	45	47	
Machinery and Equipment	–	–	8 676	3 039	3 116	3 116	9 940	–	–	
Machinery and Equipment	–	–	8 676	3 039	3 116	3 116	9 940	–	–	
Transport Assets	–	–	18 989	10 365	11 812	11 812	–	–	–	
			18	10	11	11				

Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	**42 598**	**74 579**	**126 946**	**52 027**	**58 683**	**58 683**	**49 353**	**13 199**	**13 533**

Appendix M (ii) Capital expenditure on Upgrade/Renewal Programme

KZN291 Mandeni - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2021/22	2022/23	2024/25	Budget Year 2025/26			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
-										
Infrastructure		**89 384**	**88 983**	**98 122**	**26 739**	**27 165**	**27 165**	**4 439**	**–**	**–**
Roads Infrastructure		67 072	66 178	74 697	26 304	26 730	26 730	3 913	–	–
Roads		2 160	–	8 520	26 304	26 730	26 730	3 913	–	–
Road Structures		46 707	47 178	47 178	–	–	–	–	–	–
Road Furniture		18 205	18 999	18 999	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	410	–	–	–	–	–	–
Drainage Collection		–	–	410	–	–	–	–	–	–

Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–

Sand Pumps	–	–	–	–	–	–	–	–	–	–
Piers	–	–	–	–	–	–	–	–	–	–
Revetments	–	–	–	–	–	–	–	–	–	–
Promenades	–	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–	–
Data Centres	–	–	–	–	–	–	–	–	–	–
Core Layers	–	–	–	–	–	–	–	–	–	–
Distribution Layers	–	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–	–
Community Assets	**124** **45**	**395** **53**	**395** **53**	**609** **2**	**870**	**870**	**348** **4**	**–**	**–**
Community Facilities	665 42	395 53	395 53	609 2	870	870	348 4	–	–
Halls	409 14	889 20	889 20	–	–	–	–	–	–
Centres	959 17	854 22	854 22	–	–	–	–	–	–
Crèches	–	–	–	–	–	–	–	–	–
Clinics/Care Centres	–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	–	–	–	–	–	–	–	–	–
Testing Stations	–	–	–	–	–	–	–	–	–
Museums	–	–	–	–	–	–	–	–	–
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	524 7	386 7	386 7	–	–	–	–	–	–
Cemeteries/Crematoria	–	–	–	–	–	–	–	–	–
Police	–	–	–	–	–	–	–	–	–
Parks	–	–	–	–	–	–	–	–	–
Public Open Space	–	–	–	–	–	–	–	–	–
Nature Reserves	–	–	–	–	–	–	–	–	–
Public Ablution Facilities	507	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–

Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	2	459	–	–	–	–	–	–	–	–
Indoor Facilities	2	459	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Municipal Offices		–	–	–	–	–	–	–	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–

Training Centres	–	–	–	–	–	–	–	–	–
Manufacturing Plant	–	–	–	–	–	–	–	–	–
Depots	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Staff Housing	–	–	–	–	–	–	–	–	–
Social Housing	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Water Rights	–	–	–	–	–	–	–	–	–
Effluent Licenses	–	–	–	–	–	–	–	–	–
Solid Waste Licenses	–	–	–	–	–	–	–	–	–
Computer Software and Applications	–	–	–	–	–	–	–	–	–
Load Settlement Software Applications	–	–	–	–	–	–	–	–	–
Unspecified	–	–	–	–	–	–	–	–	–
Computer Equipment	6 549	7 116	6 257	–	–	–	–	–	–
Computer Equipment	6 549	7 116	6 257	–	–	–	–	–	–
Furniture and Office Equipment	7 894	8 121	7 915	–	–	–	–	–	–
Furniture and Office Equipment	7 894	8 121	7 915	–	–	–	–	–	–
Machinery and Equipment	20 819	21 441	20 245	–	–	–	–	–	–
Machinery and Equipment	20 819	21 441	20 245	–	–	–	–	–	–

Transport Assets		27 543	47 616	45 884	–	–	–	–	–	–
Transport Assets		27 543	47 616	45 884	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	1	**197 313**	**226 672**	**231 818**	**29 348**	**28 034**	**28 034**	**8 787**	**–**	**–**
Renewal of Existing Assets as % of total capex		*65.1%*	*57.2%*	*43.3%*	*23.0%*	*20.9%*	*20.9%*	*6.0%*	*0.0%*	*0.0%*
Renewal of Existing Assets as % of deprecn"		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

APPENDIX N

CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

MANDENI LOCAL MUNICIPALITY					
R THOUSANDS					
FUNCTION	Project Name	PREVIOUSE YEAR BUDGET	CURRENT YEAR BUDGET	2026-27 YEAR BUDGET2	2027-28 YEAR BUDGET
Administrative and Corporate Support	Take on	0	15	30	31
Administrative and Corporate Support	Team Building/Employee Wellness C Staff Bursaries	10	11	15	16
Administrative and Corporate Support	Team Building/Employee Wellness C Staff Bursaries	16	44	50	52
Administrative and Corporate Support	Procurement of cleaning items	293	275	0	0

Administrative and Corporate Support	WORK AND PLAY	12	26	45	47
Administrative and Corporate Support	WORK AND PLAY	25	27	50	52
Administrative and Corporate Support	LEASES OFFICE EQUIPMENT (PRINTERS)	0	9	15	16
Administrative and Corporate Support	Employee Related - Corp Serv-admin	395	29	261	273
Administrative and Corporate Support	Telephone - MTN Data	0	0	100	105
Administrative and Corporate Support	Postage	5	26	0	0
Administrative and Corporate Support	Training C Development for employees	177	216	0	0
Administrative and Corporate Support	Outsource Staff Uniforms	0	274	250	261
Administrative and Corporate Support	Printing and Stationery - Corp	0	129	200	209
Administrative and Corporate Support	Substinence C Travelling	148	0	70	73
Administrative and Corporate Support	Substinence C Travelling	0	0	30	31
Administrative and Corporate Support	Substinence C Travelling	37	30	50	52
Administrative and Corporate Support	Lease of Office Buidling and Parkhomes	0	11	250	261
Administrative and Corporate Support	CORPORATE SERVICES DIRECTOR	45	139	130	136
Administrative and Corporate Support	SMS PORTAL	72	233	60	63
Administrative and Corporate Support	Courier C Delivery Services	19	53	60	63
Administrative and Corporate Support	KZN 291_STRATEGIC SESSION	30	30	60	63

Administrative and Corporate Support	Amakhosi Sitting Allowance	74	84	100	105
Administrative and Corporate Support	END YEAR FUNCTION(COUNCILLORS AND STAFF)	488	342	739	772
Administrative and Corporate Support	END YEAR FUNCTION(COUNCILLORS AND STAFF)	7	0	0	0
Administrative and Corporate Support	MFMP Graduation	11	14	0	0
Administrative and Corporate Support	MFMP Graduation	24	33	0	0
Administrative and Corporate Support	MFMP Graduation	0	0	80	84
Administrative and Corporate Support	PPE SPECIALISED RANGE	0	0	50	52
Administrative and Corporate Support	SAFETY / WARNING SIGNS	0	0	30	31
Administrative and Corporate Support	Procurement of cleaning items	160	160	174	182
Administrative and Corporate Support	Procurement of Office Refreshments Corporate Services	91	224	300	314
Administrative and Corporate Support	Employee Related - Corp Serv-admin	6081.011	8029.774	7384.008	7715.565
Administrative and Corporate Support	CORPORATE SERVICES DIRECTOR	1174.486	1104.481	1222.59	1295.858
Animal Care and Diseases	Animal pound Services	0	93	150	157
Asset Management	GRAP ASSET REGISTER	30	88	100	105
Asset Management	Take on	0	0	200	209
Asset Management	Take on	44	20	100	105
Asset Management	Take on	70	125	130	136
Asset Management	Security Services- VIP	27	220	200	209
Asset Management	Security Services	0	84	130	136
Beaches and Jetties	Blue Flag Annual Subscription	145	818	600	627

Beaches and Jetties	Hiring of Plant and Equipment for beach cleaning	195	292	600	627
Biodiversity and Landscape	Small Tools - Parks	540	492	1000	1045
Biodiversity and Landscape	Employee Related Costs for PARKS C GARDENS	0	52	0	0
Biodiversity and Landscape	Protective clothing - Parks	22	35	0	0
Biodiversity and Landscape	Employee Related Costs for PARKS C GARDENS	2957.334	3489	4233.672	4423.772
Cemeteries, Funeral Parlours and Crematoriums	Pauper/ Indigent Burial	21	89	0	0
Central City Improvement District	Take on	0	25	217	227
Central City Improvement District	Take on	4	4	4	5
Community Halls and Facilities	Take on	0	9	30	31
Community Halls and Facilities	Installation and Maintanance of CCTV Cameras and Alarm monitoring system	0	0	15	16
Community Halls and Facilities	EMPLOYEE RELATED COSTS SOCIAL SERVICES-MUNICIPAL STAFF	0	10	40	42
Community Halls and Facilities	SUBSISTENCE AND TRAVELLING-COMM	0	0	150	157
Community Halls and Facilities	SUBSISTENCE AND TRAVELLING-COMM	129	1451	450	470
Community Halls and Facilities	SUBSISTENCE AND TRAVELLING-COMM	112	443	250	261
Community Halls and Facilities	Procurement of PPE for EPWP beneficiaries	11	0	15	16
Community Halls and Facilities	PDP FOR DRIVERS AND LICENSING OF EPWP Lifeguards	0	33	60	63
Community Halls and Facilities	Printing and Stationery - Commun	0	15	30	31

Community Halls and Facilities	Procurement of cleaning items	22	42	60	63
Community Halls and Facilities	Procurement of Office Refreshments Community Services	0	0	43	45
Community Halls and Facilities	Procurement of Stationery Comm Serv C Facilities	29	0	60	63
Community Halls and Facilities	EMPLOYEE RELATED COSTS SOCIAL SERVICES-MUNICIPAL STAFF	13571.68	15298.24	12916.13	12993.26
Community Parks (including Nurseries)	Grass cutting cutting in wards 2,3,4,5,6,7,8,9,10, 12, 13, 14,15 and 16.	0	0	60	63
Community Parks (including Nurseries)	Greening of open spaces and Municipal facilities	7	0	90	94
Community Parks (including Nurseries)	Arbor Day Celebration	0	55	100	105
Community Parks (including Nurseries)	Arbor Day Celebration	14	18	200	209
Community Parks (including Nurseries)	Procurement of Play Park Equipment	0	0	60	63
Corporate Wide Strategic Planning (IDPs, LEDs)	Tugela Raft Race	0	0	0	0
Corporate Wide Strategic Planning (IDPs, LEDs)	SMME Capacity building programmes	0	49	130	136
Corporate Wide Strategic Planning (IDPs, LEDs)	KZN 291_STRATEGIC SESSION	29	49	200	209
Corporate Wide Strategic Planning (IDPs, LEDs)	Heritage Walk and Lecture	25	75	200	209
Corporate Wide Strategic Planning (IDPs, LEDs)	Heritage Walk and Lecture	7	39	100	105
Corporate Wide Strategic Planning (IDPs, LEDs)	Printing and Stationery_LED	7	14	40	42
Corporate Wide Strategic Planning (IDPs, LEDs)	Printing and Stationery_EPHS	87	117	170	178

Corporate Wide Strategic Planning (IDPs, LEDs)	PRINTING OF IDP DOCUMENT AND SUMMARIES	65	6	70	73
Corporate Wide Strategic Planning (IDPs, LEDs)	SPATIAL DEVELOPMENT FRAMEWORK (COGTA)	0	8	25	26
Corporate Wide Strategic Planning (IDPs, LEDs)	Arbor Day Celebration	25	35	50	52
Development Facilitation	PLANNING AND GIS-DIRECTOR	76	281	200	209
Disaster Management	Fire rescue services	85	279	300	314
Disaster Management	DIsaster Management	0	0	40	42
Disaster Management	DIsaster Management	0	15	217	227
Disaster Management	Disaster relief aid- Emergency Relief	0	0	6	6
Disaster Management	DIsaster Management	27	26	40	42
Disaster Management	DIsaster Management- Material C Supplies	12	16	50	52
Economic Development/Planning	SMME Capacity building programmes	5	16	15	16
Economic Development/Planning	SMME Capacity building programmes	0	253	0	0
Economic Development/Planning	Convene LED Forums	24	38	50	52
Economic Development/Planning	Commissioning of Land Surveyors	30	40	60	63
Economic Development/Planning	CATERING_IDP RF	20	29	250	261
Economic Development/Planning	Construction of New Cemetery Area	27	0	0	0
Economic Development/Planning	NODAL PLANS (COGTA)	0	19	0	0
Economic Development/Planning	Single Land Use Scheme (COGTA)	30	29	0	0
Economic Development/Planning	MANDENI BEACH FESTIVAL	22	12	40	42

Economic Development/Planning	Feasibility Study for DLTC Trading Facilities	19	128	80	84
Economic Development/Planning	Tugela Raft Race	400	700	300	314
Economic Development/Planning	Strategic SMMEs Intervention Programme (Quick Wins)	19	26	50	52
Economic Development/Planning	Procurement Office Refreshments EDPHS	98	11	60	63
Economic Development/Planning	Analysis of water Samples for Blue Flag Beaches	3	7	5	5
Economic Development/Planning	SMME Capacity building programmes	14	83	30	31
Economic Development/Planning	SMME Fair and exhibition	30	0	50	52
Economic Development/Planning	Convene LED Forums	0	15	30	31
Economic Development/Planning	SUBSISTENCE AND TRAVELLING COSTS	29	29	60	63
Economic Development/Planning	SUBSISTENCE AND TRAVELLING COSTS	15	54	60	63
Economic Development/Planning	SUBSISTENCE AND TRAVELLING COSTS	0	0	100	105
Economic Development/Planning	Employee Related Costs - LED	5	13	25	26
Economic Development/Planning	Support for Agricultural projects	20	18	48	50
Economic Development/Planning	Employee Related Costs - LED	2525.042	3644.841	4596.349	4802.733
Economic Development/Planning	PLANNING AND GIS-DIRECTOR	95.034	102.663	24.617	26.093
Electricity	ESKOM BULK PURCHASES	0	20	10	10
Electricity	315kva transformer repairs in ward 3(Gazele Place)	0	274	100	105

Electricity	Municipal Building Maintenance Electrical	0	0	50	52
Electricity	Streetlight maintenance	0	0	300	314
Electricity	Air-conditioner Maintenance	0	62	150	157
Electricity	Electricity Reticulation	0	0	5	5
Electricity	Small Tools_Fleet	0	30	150	157
Electricity	Traffic lights maintenance	0	0	250	261
Electricity	ELECTRIFICATION PROJECTS -2 Okhovothi	0	0	250	261
Electricity	EMPLOYEE RELATED COST- ELECTRICITY	0	0	200	209
Electricity	FREE BASIC SERVICES	0	0	400	418
Electricity	ELECTRICITY INTERNAL	0	0	150	157
Electricity	Subsistence and Travelling Electricity	0	0	300	314
Electricity	Procument of Electricity Meters	30	132	100	105
Electricity	Stormwater Take On	5	17	10	10
Electricity	EMPLOYEE RELATED COST- ELECTRICITY	2738.222	3833.537	4095.295	4279.182
Finance	mSCOA	299	465	600	627
Finance	mSCOA	86	55	350	366
Finance	GRAP AFS	180	255	500	523
Finance	GRAP AFS	159	89	350	366
Finance	GRAP ASSET REGISTER	2685	2569	3200	3344
Finance	IMPLEMENTATION OF CREDIT CONTROL AND DEBT COLLECTION	0	56	130	136
Finance	PREPAID METERING SYSTEM	8	133	0	0
Finance	Annual Review of Indigent Register	0	394	0	0
Finance	Payday system	214	471	400	418
Finance	Take on	0	0	20	21
Finance	Take on	0	35	35	37

Finance	BANK CHARGES	0	0	261	273
Finance	Employee Related Costs for FMG INTERNS	15	29	50	52
Finance	TRAINING AND DEVELOPMENT	78	0	150	157
Finance	CHIEF FINANCIAL OFFICER- DIRECTOR	276	242	180	188
Finance	Employee Related Costs BTO	381	159	300	314
Finance	Postage	0	19	0	0
Finance	PRINTING AND STATIONERY FOR BTO	189	216	800	836
Finance	SUBSISTENCE AND TRAVELLING	0	0	30	31
Finance	SUBSISTENCE AND TRAVELLING	0	0	60	63
Finance	SUBSISTENCE AND TRAVELLING	12	12	7	7
Finance	Vat Review	277	234	400	418
Finance	Procuremet of Office Refreshments Technical Services	196	240	250	261
Finance	Procurement of Refreshments for BTO	15	27	20	21
Finance	Assessment Rates	14	47	50	52
Finance		120	133	143	149
Finance	O0001/IA010635/F2496/X049/R3641/001/FIN	47	135	200	209
Finance	Employee Related Costs BTO	19715.29	19777.43	19872.07	19933.8
Fleet Management	Plant and Equipment Maintenance	0	145	200	209
Fleet Management	EMPLOYEE RELATED COSTS FLEET C WORKSHOP	399	849	1000	1045
Fleet Management	Renewal of Vehicle Licenses	40	104	0	0
Fleet Management	FUEL C OIL	0	0	50	52
Fleet Management	Leases of Vehicle_Fleet Management	171	329	300	314
Fleet Management	COR Roadworthy Preparation for Tests X 12 Trucks	60	93	120	125
Fleet Management	Payment of vehicle excess (insurance)	14	86	100	105

Fleet Management	Vehicle cleaning and Washing	4	14	30	31
Fleet Management	Take on	0	209	200	209
Fleet Management	EMPLOYEE RELATED COSTS FLEET C WORKSHOP	4981.77	5064.794	7325.437	7654.362
Housing	CRU Pre-Feasibility Study Assessment	180	181	200	209
Housing	CRU Pre-Feasibility Study Assessment	21	21	30	31
Human Resources	Training C Development for employees	40	8	60	63
Human Resources	Fumigation	53	12	0	0
Human Resources	Team Building/Employee Wellness C Staff Bursaries	19	29	0	0
Human Resources	Team Building/Employee Wellness C Staff Bursaries	0	0	40	42
Human Resources	New Engagements C Medical Testing	21	20	30	31
Human Resources	Long Service Awards Exit Gifts	76	186	261	273
Human Resources	Security Veting of Employees	17	52	50	52
Human Resources	EMPLOYEE RELATED COSTS-HR	0	0	80	84
Human Resources	Advertising	0	0	90	94
Human Resources	Team Building/Employee Wellness C Staff Bursaries	0	129	180	188
Human Resources	Team Building/Employee Wellness C Staff Bursaries	0	16	50	52
Human Resources	Team Building/Employee Wellness C Staff Bursaries	0	326	243	254
Human Resources	Substinence C Travelling HR	0	0	60	63
Human Resources	Workmens Compensation	0	0	100	105
Human Resources	Gazetting By-Laws	0	0	200	209
Human Resources	Long Service Awards Exit Gifts	0	0	0	0
Human Resources	EMPLOYEE RELATED COSTS-HR	3011.141	2930.77	3971.865	4150.21

Informal Settlements	Housing Forum	0	752	1000	1082
Information Technology	Take on	0	438	180	216
Information Technology	Insurance Claims	0	9	30	36
Information Technology	Network Connectivity and Infrastructure	0	26	80	96
Information Technology	IT MANTAINANCE	0	166	150	180
Information Technology	Hosting of the municipal website	0	130	200	240
Information Technology	IT Project Management	0	340	150	180
Information Technology	IT Security Workshop	0	193	200	240
Information Technology	Renewal of Microsoft Licenses (ALL Licences)	711	1063	1650	1724
Information Technology	Telephone - Telkom	37	85	100	105
Information Technology	EMPLOYEE RELATED COSTS-IT	0	662	870	909
Information Technology	Implementation of workflow management system	0	0	207	216
Information Technology	Implementation of ICT Projects 23/24	6	1	50	52
Information Technology	IT Project Management	3057	2050	1304	1363
Information Technology	EMPLOYEE RELATED COSTS-IT	1354.426	1760.079	1845.192	1928.045
Libraries and Archives	Career expo	240	198	220	230
Libraries and Archives	Career expo	32	52	50	52
Libraries and Archives	Career expo	0	0	50	52
Libraries and Archives	Author's Workshop	0	0	50	52
Libraries and Archives	Author's Workshop	91	100	90	94
Libraries and Archives	Author's Workshop	1953	1532	3130	0
Libraries and Archives	Printing Catridges and stationery	747	864	870	909
Libraries and Archives	Payment of LIASA membership	15	11	20	21
Libraries and Archives	Subsistence and Travelling	22	59	174	182
Libraries and Archives	Subsistence and Travelling	132	48	87	91
Libraries and Archives	Subsistence and Travelling	32	18	100	105
Libraries and Archives	Subsistence and Travelling	27	56	174	182

Libraries and Archives	DSTV monthly subscription	435	298	217	227
Libraries and Archives	Procurement of library PPE	0	0	10	10
Libraries and Archives	Printing and Stationery - Library	1216	1417	1681	1757
Libraries and Archives	Printing and Stationery - Library	0	0	174	182
Libraries and Archives	EMPLOYEE RELATED COSTS LIBRARY	5103.739	7083.765	5338.873	5157.834
Literacy Programmes	LIBRARY COMMUNITY OUTREACH	0	0	0	0
Literacy Programmes	LIBRARY COMMUNITY OUTREACH	45293	52475	66107	61791
Literacy Programmes	LIBRARY COMMUNITY OUTREACH	0	521	870	909
Literacy Programmes	LIBRARY COMMUNITY OUTREACH	242	517	435	454
Mayor and Council	16 Days of Activism against Women and Child Abuses	76	56	261	273
Mayor and Council	16 Days of Activism against Women and Child Abuses	14	211	435	454
Mayor and Council	16 Days of Activism against Women and Child Abuses	176	138	435	454
Mayor and Council	CORPORATE SIGNAGE AND TAGS (BANNERS)	48	0	174	182
Mayor and Council	Christmas Party for the Elderly	183	162	261	273
Mayor and Council	Christmas Party for the Elderly	596	358	522	545
Mayor and Council	Christmas Party for the Elderly	418	1318	522	545
Mayor and Council	Mayoral Cup Games/ Awards	11	0	130	136
Mayor and Council	Mayoral Cup Games/ Awards	143	45	70	73
Mayor and Council	Mayoral Cup Games/ Awards	3709	4918	6087	0
Mayor and Council	Mayoral Cup Games/ Awards	704	1089	870	909
Mayor and Council	SALGA KZN DSR GAMES	9	77	61	64
Mayor and Council	SALGA KZN DSR GAMES	6130	4495	3478	3635
Mayor and Council	SALGA KZN DSR GAMES	93	0	130	136
Mayor and Council	SALGA KZN DSR GAMES	348	879	3478	0
Mayor and Council	Women's day celebration	0	19	52	55
Mayor and Council	Women's day celebration	58	47	87	91

Mayor and Council	Women's day celebration	70	0	174	182
Mayor and Council	Women's day celebration	0	0	3043	0
Mayor and Council	Women's day celebration	0	1952	0	0
Mayor and Council	Golden Games	26	0	17	18
Mayor and Council	Golden Games	9	10	10	11
Mayor and Council	Youth Driver Education	46	45	50	52
Mayor and Council	Bursary and Scholarship Awards	0	485	763	798
Mayor and Council	Bursary and Scholarship Awards	1465	0	1304	1363
Mayor and Council	Bursary and Scholarship Awards	0	0	78	82
Mayor and Council	Club and League Development	1703	2164	2435	2544
Mayor and Council	Club and League Development	0	9238	6500	1000
Mayor and Council	Club and League Development	0	0	53	55
Mayor and Council	Training of Ward Committes	0	32	132	138
Mayor and Council	OPERATION SUKUMA SAKHE	0	0	53	55
Mayor and Council	OPERATION SUKUMA SAKHE	67	83	71	74
Mayor and Council	OPERATION SUKUMA SAKHE	0	0	57	59
Mayor and Council	WARD COMMITTEE TRAINING	0	250	570	596
Mayor and Council	WARD COMMITTEE TRAINING	23	54	31	33
Mayor and Council	WARD COMMITTEE TRAINING	1099	1560	1739	1817
Mayor and Council	ARTIST DEVELOPMENT PROGRAMME	0	16	26	28
Mayor and Council	ARTIST DEVELOPMENT PROGRAMME	0	0	22	23
Mayor and Council	COMMUNITY CONSULTATION MEETING	0	18	0	0
Mayor and Council	COMMUNITY CONSULTATION MEETING	0	0	0	0
Mayor and Council	COMMUNITY CONSULTATION MEETING	0	0	50	60
Mayor and Council	TOP ACHIEVERS AWARDS	0	0	0	0
Mayor and Council	TOP ACHIEVERS AWARDS	0	0	-11	0
Mayor and Council	TOP ACHIEVERS AWARDS	0	0	20	21

Mayor and Council	Youth Top Achievers Awards	0	0	20	21
Mayor and Council	ALBINISM AWARENESS CAMPAIGN	17	40	50	52
Mayor and Council	ALBINISM AWARENESS CAMPAIGN	0	0	435	454
Mayor and Council	ALBINISM AWARENESS CAMPAIGN	13	13	30	31
Mayor and Council	ALBINISM AWARENESS CAMPAIGN	137	226	200	209
Mayor and Council	MAYORAL IMBIZOS AND STRATEGIC ENGAGEMENTS ROADSHOWS	0	31	30	31
Mayor and Council	MAYORAL IMBIZOS AND STRATEGIC ENGAGEMENTS ROADSHOWS	0	9	0	0
Mayor and Council	MAYORAL IMBIZOS AND STRATEGIC ENGAGEMENTS ROADSHOWS	24	29	40	42
Mayor and Council	MORAL REGENERATION MOVEMENT	100	424	0	0
Mayor and Council	MORAL REGENERATION MOVEMENT	425	229	0	0
Mayor and Council	MORAL REGENERATION MOVEMENT	0	0	20	21
Mayor and Council	MORAL REGENERATION MOVEMENT	17	24	20	21
Mayor and Council	INKUNZI ISEMATHOLENI C KIDS PROTECTION WEEK	16	44	43	45
Mayor and Council	INKUNZI ISEMATHOLENI C KIDS PROTECTION WEEK	276	101	0	0
Mayor and Council	INKUNZI ISEMATHOLENI C KIDS PROTECTION WEEK	0	0	522	545
Mayor and Council	CHRISTMAS PARTY FOR ELDERLY, PWD C CHILDREN WITH HIV/AIDS	0	1000	1739	1817
Mayor and Council	SPORT DEVELOPMENT PROGRAMME	0	0	87	91
Mayor and Council	Support for Mandeni Youth Council	0	0	130	136
Mayor and Council	Support for Mandeni Youth Council	0	0	43	45
Mayor and Council	Support for Mandeni Youth Council	0	0	130	136
Mayor and Council	HIV/AIDS AND SOCIAL ILLS CAMPAIGN	0	0	174	182
Mayor and Council	HIV/AIDS AND SOCIAL ILLS CAMPAIGN	0	0	0	0

Mayor and Council	HIV/AIDS AND SOCIAL ILLS CAMPAIGN	0	0	0	0
Mayor and Council	HIV/AIDS AND SOCIAL ILLS CAMPAIGN	0	0	0	0
Mayor and Council	Multi Purpose Women's Caucus	0	0	174	182
Mayor and Council	Multi Purpose Women's Caucus	0	0	348	363
Mayor and Council	Multi Purpose Women's Caucus	0	0	1577	1803
Mayor and Council	Multi Purpose Women's Caucus	0	0	50	53
Mayor and Council	Multi Purpose Women's Caucus	0	0	50	60
Mayor and Council	Multi Purpose Women's Caucus	71	13	0	0
Mayor and Council	ECD CULTURAL DAY	0	11	26	27
Mayor and Council	ECD CULTURAL DAY	0	10	35	36
Mayor and Council	ECD CULTURAL DAY	0	0	17	18
Mayor and Council	Umkhosi welembe	108	144	250	261
Mayor and Council	Umkhosi welembe	12	312	304	318
Mayor and Council	Mandeni Youth Heritage Parade and Fashion Exhibition	7	46	20	21
Mayor and Council	Mandeni Youth Heritage Parade and Fashion Exhibition	0	53	40	42
Mayor and Council	Mandeni Youth Heritage Parade and Fashion Exhibition	24	42	40	42
Mayor and Council	Mandeni Youth Heritage Parade and Fashion Exhibition	0	42	30	31
Mayor and Council	Youth Month Celebration	19	61	40	42
Mayor and Council	Youth Month Celebration	21	30	25	26
Mayor and Council	Mandeni Art Talent search	14	11	8	8
Mayor and Council	Disability Programme	51	54	42	43
Mayor and Council	Disability Programme	0	0	34	36
Mayor and Council	Disability Programme	0	0	50	52
Mayor and Council	Youth Summit	35	1579	261	273

Mayor and Council	Youth Summit	0	80	391	409
Mayor and Council	Mandeni Healthy Lifestyle Race	0	42	43	58
Mayor and Council	Mandeni Healthy Lifestyle Race	202	247	217	227
Mayor and Council	Mens Programme	163	0	391	409
Mayor and Council	Mens Programme	302	358	261	273
Mayor and Council	Mens Programme	937	179	261	273
Mayor and Council	Mens Programme	1	1	130	136
Mayor and Council	Symposium on young womes C sexuality	2487	3399	2609	2726
Mayor and Council	Symposium on young womes C sexuality	5	43	150	157
Mayor and Council	Symposium on young womes C sexuality	0	0	217	227
Mayor and Council	Symposium on young womes C sexuality	0	0	3000	3135
Mayor and Council	AMAKHOSI Cultural Development Programms	325	137	50	52
Mayor and Council	AMAKHOSI Cultural Development Programms	807	674	770	805
Mayor and Council	AMAKHOSI Cultural Development Programms	75	83	79	83
Mayor and Council	Customer Care Workshop	1287	1729	2160	2258
Mayor and Council	Customer Care Workshop	2792	4210	6015	6285
Mayor and Council	Customer Care- ICMS System	696	473	530	554
Mayor and Council	MEDIA COORDINATION	3592	4080	3667	3832
Mayor and Council	Take Me To Varsity and Subject Clinics	889	926	817	854
Mayor and Council	Customer satisfaction Programme	0	0	0	0
Mayor and Council	Siyaya eMhlangeni(District and eNyokeni)	16398	15674	18048	18860

Mayor and Council	16 Days of Activism against Women and Child Abuses	2487	2543	3048	3185
Mayor and Council	PROCUREMENT OF MEDIA SLOTS	1039	1097	1105	1155
Mayor and Council	CORPORATE SIGNAGE AND TAGS (BANNERS)	2361	2849	3217	3362
Mayor and Council	PROCUREMENT OF DAIRIES AND CALENDERS	36	26	43	45
Mayor and Council	Ward Committee Coordination for Public Participation	449	426	391	409
Mayor and Council	Christmas Party for the Elderly	5	5	7	7
Mayor and Council	Mayoral Cup Games/ Awards	895	326	261	273
Mayor and Council	Mayoral Cup Games/ Awards	13	1	7	7
Mayor and Council	Mayoral Cup Games/ Awards	126	138	150	157
Mayor and Council	SALGA KZN DSR GAMES	157	31	87	91
Mayor and Council	SALGA KZN DSR GAMES	119	144	174	182
Mayor and Council	SALGA KZN DSR GAMES	47	30	100	105
Mayor and Council	SALGA KZN DSR GAMES	147	444	304	318
Mayor and Council	Women's day celebration	28	0	130	136
Mayor and Council	Golden Games	1964	3765	2609	2726
Mayor and Council	Bursary and Scholarship Awards	0	0	200	209
Mayor and Council	Bursary and Scholarship Awards	0	0	0	0
Mayor and Council	Bursary and Scholarship Awards	0	0	50	60
Mayor and Council	Club and League Development	0	0	-3710	-3877
Mayor and Council	Club and League Development	0	0	-6913	-7224
Mayor and Council	EMPLOYEE RELATED COSTS OFFICE OF THE MAYOR	0	0	-28090	-29354
Mayor and Council	SUBSISTENCE AND TRAVELLING FOR POLITICAL OFFICE	0	0	4332	4527
Mayor and Council	SUBSISTENCE AND TRAVELLING FOR POLITICAL OFFICE	0	0	2304	2408

Mayor and Council	SUBSISTENCE AND TRAVELLING FOR POLITICAL OFFICE	2119	2697	5000	5225
Mayor and Council	SUBSISTENCE AND TRAVELLING FOR POLITICAL OFFICE	0	250	435	454
Mayor and Council	OPERATION SUKUMA SAKHE	0	78	43	45
Mayor and Council	ARTIST DEVELOPMENT PROGRAMME	0	91	435	454
Mayor and Council	COMMUNITY CONSULTATION MEETING	2103	1872	1913	1999
Mayor and Council	Youth Top Achievers Awards	349	441	461	482
Mayor and Council	ALBINISM AWARENESS CAMPAIGN	0	4	10	10
Mayor and Council	REFRESHMENTS FOR THE POLITICAL OFFICES (MAYOR, DEPUTY MAYOR AND SPEAKER'S OFFICE)	13	27	25	26
Mayor and Council	Support for Mandeni Youth Council	5	9	12	13
Mayor and Council	HIV/AIDS AND SOCIAL ILLS CAMPAIGN	957	1549	3652	3817
Mayor and Council	YOUTH CAREER EXPO C ENTREPRENUER WORKSHOP	3859	4139	0	0
Mayor and Council	Multi Purpose Women's Caucus	1639	2620	217	227
Mayor and Council	Multi Purpose Women's Caucus	10682	13127	13391	13994
Mayor and Council	ECD CULTURAL DAY	330	400	350	366
Mayor and Council	Mandeni Youth Heritage Parade and Fashion Exhibition	49	101	150	157
Mayor and Council	Mandeni Youth Heritage Parade and Fashion Exhibition	1036	1477	2174	2272
Mayor and Council	Youth Month Celebration	16	15	20	21
Mayor and Council	Youth Month Celebration	0	4	20	21
Mayor and Council	Youth Summit	3	13	12	13
Mayor and Council	Mandeni Healthy Lifestyle Race	0	14	40	42
Mayor and Council	Mandeni Healthy Lifestyle Race	0	0	87	91
Mayor and Council	Mens Programme	7	6	100	105

Mayor and Council	Symposium on young womes C sexuality	69	0	50	52
Mayor and Council	Symposium on young womes C sexuality	2	6	15	16
Mayor and Council	WOMENS SUMMIT	11	17	30	31
Mayor and Council	AMAKHOSI Cultural Development Programms	0	0	217	227
Mayor and Council	AMAKHOSI Cultural Development Programms	0	0	174	182
Mayor and Council	Mayoral Cup Games/ Awards	0	49	25	26
Mayor and Council	SALGA KZN DSR GAMES	0	8	12	13
Mayor and Council	OPERATION SUKUMA SAKHE	0	109	70	73
Mayor and Council	MORAL REGENERATION MOVEMENT	0	164	50	52
Mayor and Council	INKUNZI ISEMATHOLENI C KIDS PROTECTION WEEK	3	7	0	0
Mayor and Council	HIV/AIDS AND SOCIAL ILLS CAMPAIGN	0	0	304	318
Mayor and Council	ECD CULTURAL DAY	0	158	174	182
Mayor and Council	Disability Programme	86	200	366	383
Mayor and Council	QUICK WINS	0	48	0	0
Mayor and Council	SALGA LEVIES	0	0	0	0
Mayor and Council	Small Tools_Municipal Buildings	0	168	435	454
Mayor and Council	Total Councillors Allowance	14325	14564	17043	17981
Mayor and Council	EMPLOYEE RELATED COSTS OFFICE OF THE MAYOR	4293.435	1898.287	4456.157	4656.246
Municipal Manager, Town Secretary and Chief Executive	Municipal Newsletter.	35	44	35	37
Municipal Manager, Town Secretary and Chief Executive	Mens programs	75	98	79	83
Municipal Manager, Town Secretary and Chief Executive	Compile and submit quarterly Internal Audit Reports to the Audit Committee	73	84	99	103

Municipal Manager, Town Secretary and Chief Executive	Attendance fees for risk committee chairperson	86	44	30	31
Municipal Manager, Town Secretary and Chief Executive	Training PMS Automated System	3	0	26	27
Municipal Manager, Town Secretary and Chief Executive	Printing Annual Report	31	17	35	36
Municipal Manager, Town Secretary and Chief Executive	Grant in Aid	17	34	25	26
Municipal Manager, Town Secretary and Chief Executive	LEGAL AND PROFESSIONAL COSTS	39	89	71	74
Municipal Manager, Town Secretary and Chief Executive	Payment of Audit Committee Members for Attendance of Meetings	9	7	10	10
Municipal Manager, Town Secretary and Chief Executive	Convene Quarterly MPAC Meetings	29	13	17	18
Municipal Manager, Town Secretary and Chief Executive	FEES FOR DISCIPLINARY BOARD	26	38	0	0
Municipal Manager, Town Secretary and Chief Executive	Strategic Fraud Risk Assessment	73	99	0	0
Municipal Manager, Town Secretary and Chief Executive	SENIOR MANAGER_MUNICIPAL MANAGER SALARY	272	431	609	636
Municipal Manager, Town Secretary and Chief Executive	INSURANCE	0	30	43	45
Municipal Manager, Town Secretary and Chief Executive	ILEMBE WATER	4	6	43	45
Municipal Manager, Town Secretary and Chief Executive	Employee Related Costs for MM Admin	126	67	74	77
Municipal Manager, Town Secretary and Chief Executive	PRINTING AND STATIONERY-MM	5	0	0	0
Municipal Manager, Town Secretary and Chief Executive	SUBSTANCE AND TRAVEL CLAIMS FOR OMM	7	9	15	16

Municipal Manager, Town Secretary and Chief Executive	SUBSTANCE AND TRAVEL CLAIMS FOR OMM	0	151	217	227
Municipal Manager, Town Secretary and Chief Executive	SUBSTANCE AND TRAVEL CLAIMS FOR OMM	1	0	6	6
Municipal Manager, Town Secretary and Chief Executive	SUBSTANCE AND TRAVEL CLAIMS FOR OMM	0	0	174	182
Municipal Manager, Town Secretary and Chief Executive	Convene Quarterly Risk Committee Meetings	2	16	20	21
Municipal Manager, Town Secretary and Chief Executive	Fraud Hotline	0	0	43	45
Municipal Manager, Town Secretary and Chief Executive	Fraud Awareness	0	0	61	64
Municipal Manager, Town Secretary and Chief Executive	Audit Fees	0	0	696	727
Municipal Manager, Town Secretary and Chief Executive	Employee Related Costs for MM Admin	12507.22	13480.74	14913.58	15607.26
Police Forces, Traffic and Street Parking Control	Lightning conductors	303	0	800	836
Police Forces, Traffic and Street Parking Control	Maintanance of Automated Number Plate Recognition System	579	311	0	0
Police Forces, Traffic and Street Parking Control	Uniform for traffic officers and disaster management officer	37	40	0	0
Police Forces, Traffic and Street Parking Control	Back office software	0	200	100	120
Police Forces, Traffic and Street Parking Control	Calibration of Speed Enforcement Camera	0	0	80	84
Police Forces, Traffic and Street Parking Control	Procurement Road Signs and Notice Boards	0	0	0	0
Police Forces, Traffic and Street Parking Control	PPE for Fire Fighters	0	50	100	120

Project Management Unit	Infrastructure Development Programme Steering Committee Meetings	0	0	30	36
Project Management Unit	Subsistence and Travelling Technical	0	0	500	523
Project Management Unit	Subsistence and Travelling Technical	0	0	-30	-36
Project Management Unit	Employee Related Costs-Technical Admin	0	0	-200	-240
Project Management Unit	Stationery PMU	261	371	351	367
Project Management Unit	PMU - Salaries	590.269	1652.607	2325.41	2338.2
Project Management Unit	Employee Related Costs-Technical Admin	2750.21	825.71	1757.861	1836.793
Property Services	IMPLEMENTATION OF MPRA	130	83	217	227
Property Services	Take on	0	0	100	105
Property Services	IMPLEMENTATION OF MPRA	78	219	300	314
Recreational Facilities	EMPLOYEE RELATED COSTS SWIMMING	38	42	50	52
Recreational Facilities	EMPLOYEE RELATED COSTS SWIMMING	2353.017	3827.856	2911.552	3042.286
Regional Planning and Development	Enterpreneur Support Programme	1	28	30	31
Regional Planning and Development	Historical tourism research	133	42	150	157
Road and Traffic Regulation	Driving License Cards	186	341	261	273
Road and Traffic Regulation	Shooting Practise,Firearms,cleaning kit and ammunitions	74	55	174	182
Road and Traffic Regulation	Alcohol Lion 500(screening device)	1046	972	750	784
Road and Traffic Regulation	EMPLOYEE RELATED COSTS PUBLIC SAFETY	341	111	348	363
Road and Traffic Regulation	EMPLOYEE RELATED COSTS PUBLIC SAFETY	8668.038	8899.292	14049.3	14681.18

Roads	80 road signs to be replaced by 30 June 2019	5	200	100	105
Roads	Urban Road Maintenance (Construction of gabion walls) / Msomuhle Road Rehabilitation	0	0	30	31
Roads	Urban Road Maintanence (Kerbs and concrete channels)	0	0	0	0
Roads	Urban road maintanance (Cold mix asphalt bags)	0	0	522	545
Roads	Urban Road Maintenance (Hot mix asphalt for big potholes)	0	0	30	31
Roads	Common bricks rural gravel road maintenance	0	0	20	21
Roads	Small Tools - Roads	326	888	739	772
Roads	Hire : Plant and Equipment	4125	4875	5217	0
Roads	Stormwater Maintenance	54	53	57	60
Roads	Procurement of MSP 1 Prime Coat Drums	245	216	435	454
Roads	Procurement of Heavy duty Manhole covers to replace broken manhole cover	2185	4937	1826	1908
Roads	Pothole patching ward 3,4,7,10,12,13,14 C15	26	27	23	24
Roads	Subsistence and Travelling Technical	624	738	539	563
Roads	TECHNICAL SERVICES DIRECTOR	2	5	4	5
Roads	Office Teas	1406	1224	957	1000
Roads	Pothole Patching	920	1843	1739	1817
Roads	Office Teas	59	309	157	164
Roads	Roads Infrastr Take on	4	2	17	18
Roads	EMPLOYEE RELATED COSTS ROADS	9411.895	11080.59	11473.86	12011.24
Solid Waste Disposal (Landfill	Awareness Campaigns	21	24	39	41

Sites)					
Solid Waste Disposal (Landfill Sites)	Procurement of the Waste staff Tools	798	647	261	273
Solid Waste Removal	Waste Management	330	650	652	682
Solid Waste Removal		70	60	61	64
Solid Waste Removal	Procurement of 50 Wheelie bins	61	50	87	91
Solid Waste Removal	Refuse Bags Contractor	847	1385	1043	1090
Solid Waste Removal	Landfill site contract	11	13	11	11
Solid Waste Removal	Cleaning Campaigns	0	0	13	13
Solid Waste Removal	EMPLOYEE RELATED COST-SOLID WASTE	42	22	17	18
Solid Waste Removal	Cleaning Campaigns	511	1905	870	909
Solid Waste Removal	EMPLOYEE RELATED COST-SOLID WASTE	5512.878	3941.705	5151.11	5205.11
Sports Grounds and Stadiums	SPORT DEVELOPMENT PROGRAMME	0	0	35	36
Sports Grounds and Stadiums	SPORT DEVELOPMENT PROGRAMME	0	0	4	5
Sports Grounds and Stadiums	SPORT DEVELOPMENT PROGRAMME	0	0	0	0
Sports Grounds and Stadiums	SPORT DEVELOPMENT PROGRAMME	0	0	35	36
Sports Grounds and Stadiums	SPORT DEVELOPMENT PROGRAMME	0	10	226	236
Sports Grounds and Stadiums	SPORTS FIELD/STADIUM, COMMUNITY HALL AND COMMUNITY PARK MAINTENANCE	50	11	104	109
Sports Grounds and Stadiums	SPORT DEVELOPMENT PROGRAMME	0	154	0	0
Storm Water Management	Stormwater Take On	0	0	0	0
Tourism	Tourism Street and Amenities Naming	0	2580	435	454
Tourism	Tourism Branding	0	0	174	182
Tourism	Tourism Indaba	0	0	174	182
Tourism	Tourism Sites Revival and Signage	0	0	43	45
Tourism	Tourism Strategy	0	0	217	227
Town Planning, Building Regulations and Enforcement,	EMPLOYEE RELATED COSTS MUNICIPAL BUILDING	0	0	87	91

and City Engineer					
Town Planning, Building Regulations and Enforcement, and City Engineer	Local Intergrated Transport Plan	0	0	304	318
Town Planning, Building Regulations and Enforcement, and City Engineer	Legal C Professional Fees /Conveyancers	0	0	217	227
Town Planning, Building Regulations and Enforcement, and City Engineer	SUBSISTENCE AND TRAVELLING COSTS	0	9	600	627
Town Planning, Building Regulations and Enforcement, and City Engineer	Employee Related Costs-Planning and GIS	0	0	100	120
Town Planning, Building Regulations and Enforcement, and City Engineer	EMPLOYEE RELATED COSTS MUNICIPAL BUILDING	1108.216	1216.863	1613.123	1685.555
Town Planning, Building Regulations and Enforcement, and City Engineer	Employee Related Costs-Planning and GIS	6681.688	6714.877	8266.401	8637.578

APPENDIX O

PROJECTS STATUS QUO / PROGRESS REPORT AS OF JUNE 2025

4. BACKGROUND:

The Technical Services Department is currently implementing the following projects as per the Municipality's Integrated Development Plan (IDP):

4.1 Projects under The Municipal Infrastructure Grant (MIG) Funding:

2024/25 Financial Year MIG Allocation	**R46 473 000**
Less: Total Expenditure (incl. Retention)	**R46 473 000**
Balance	R0
Expenditure of as a %	**100%**

Projects under Construction Stage

- Construction of a Sportsfield in Hlomendlini
- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela).
- Nyoni Taxi Route Phase 4
- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)

- The Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1
- Upgrade of Machibini Link Road to Isithebe in Ward 10 and 12 Phase 2
- Construction of a Soccer Field and Combo Court in Khenana Township, Ward 10
- Construction of Community Hall in Ward 8

Projects that are in the planning stage with MIG

- Rehabilitation of Quartz Road and Portion of Platinum Road in Ward 4
- Construction of a Sportsfield in Ward 2, Mandeni
- Construction of a Sportsfield in Ward 1, Mandeni

Projects that are in planning stage and registered with MIG

- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 14, Chappies Section: Tender stage

4.2. Projects under Municipal Internal Funding

Projects under Construction

- Repair and Renovation of Civic Centre Roof in Mandeni: completed
- New Protection Services Centre DLTC: Completed, under defects
- Extension of Mechanical Workshop and Construction of New Offices
- P415-459 Ward 3 Streetlights: completed
- Extension of Portion of Kingfisher Road in Ward 3, Mandeni
- Rehabilitation of Isibuko Road (Masilela) and Stormwater Modification in Mandeni Ward 14

Projects under planning

- Establishment of new office building at the Municipality's Main Office :Tender stage, BAC
- Extension of Mechanical / Technical Services Building Phase 2 and Fencing of Technical Services Depot: Tender stage, BAC
- Construction of a Community Hall in Ward 6: Completed
- Construction of a Community Hall in Ward 12: Completed
- Construction of community hall in Ward 16: Incomplete

- Construction of community hall in Ward 11: Completed
- Construction of community hall in Ward 9: Completed
- Construction of community hall in Ward 10: Incomplete
- Establishment of new emergency centre: Ongoing

4.3. Projects under the Integrated National Electrification Programme (INEP)

2023/24 and 2024/25 Financial Year Allocation	**R 8 884 000.00**
Less: Total Expenditure (Incl. VAT)	R 8 884 000.00
Balance	R 0.00
Expenditure as a %	**100%**

Projects under Planning Stage

- Mandeni Sub-station – Bulk

4.4 Municipal Disaster Response Grant

2024/25 Financial Year MIG Allocation	**R5 180 500**
Less: Total Expenditure (incl. Retention)	R704 887.88
Balance	R 4 435 612.12
Expenditure of as a %	**13.6%**

Projects under Construction

- Re-gravelling of Road from Thengela to Nazareth church in Ward 8.
- Re-gravelling of Road Thulas to Ematsheketsheni road in Ward 12

5. PROGRESS ON PROJECTS AND EXPENDITURE

5.1 Municipal Infrastructure Grant

a) Installation of High Mast Lights in Mandeni, Phase 2 (Ward 3, 5, 9, 11 and 12x2)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 067 105.27	R 1 022 364.28
Construction Cost (incl. Retention) (V.O : R 367 004.50)	R 5 413 316.30	R 5 283 165.92
TOTALS (Incl. Vat)	R 6 480 421.57	R 6 3055 530.20

Project Details

Name of Consultant: Africoast JBFE Project Manager

Name of Contractor: R Busisiwe (Pty) Ltd

Project Commencement Date: January 2023

Contractual Completion Date: July 2023

Revised Completion date: 20 May 2024

Project Scope

- Supply and install of 6 x 30m high mast lighting.
- Installation and Commissioning of street and high mast lighting.

- Certifying all the installations for compliance.
- Submitting project report, designs/drawings and quality stacks on project handover.

Current Status Overall Construction progress 98%: All overhead support infrastructure and underground infrastructure has been installed. All 6 High masts have been erected, and light fittings have been installed. Quotations for the supply points from Eskom have been received and paid for by the municipality. Eskom to commence with the installation of supply points.

Challenges: The energization of the high masts is dependent on Eskom to provide the supply points available. The installation of the supply points is estimated to commence within three months from the date of submission of the proof of payment to Eskom.

b) Construction of a Hlomendlini Sportfield - Ward 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 333 210.46	R 1 333 210.46
Construction Cost (incl. Retention)	R 7 951 934.33	R 4 598 092.71
Internal Funding (Professional and construction Fees)	R1 547 441.12	R1 118 795.88
TOTALS (Incl Vat)	R 10 832 585.91	R 7 050 099.05

Project Details

Name of Consultant: Siyazenzela Consulting

Name of Contractor: Sihawusethu Trading (Pty) Ltd

Project Commencement Date: January 2025

Contractual Completion Date: **5** May 2025

Revised Completion date: 13 June 2025

Project Scope

- Site Establishment and Setting out of works.
- Bulk earthworks to the various elements of infrastructure on site.
- Construction of a soccer field (110m x 75m).
- Construction of a combi court (38m x 19.5m).
- Construction of an ablution facility (10 toilet units), with change rooms (3 toilet units), public toilets (2 toilet units) and office/first aid room including water, sewage, and electrical supply.
- Construction of a grandstand with a minimum of 5 rows of seats (length of 25m).
- Installation of fencing including gate house (pedestrian and vehicle gates).
- Construction of an unpaved parking area.

Current Status of Construction Progress 35% (Overall Progress 80%): Site Handover, Site Establishment 100%, Setting Out 100%, Site Clearance 90%, Subsoil 90%, Bulk Earthworks (Combo Court, Ablution & Guardhouse) 85%, Layerworks to Sportsfield 65%, Layerworks to Combo Court 40%, Access Road & Parking 30%, Grandstand 15%.Extension of Time Claim submitted and approved by the Municipality ending on the 13th of June Penalties imposed on the project for poor performance.

Challenges: Poor performance of the Contractor due to poor workmanship caused by lack of supervision on site was noted in the previous months, with some signs of minimal improvements in this regard. Poor quality of works and non-compliance towards their contractual obligations still remains an area where improvements are required.

This has resulted in issuing further notices of default as the Contractor has failed to comply contractually and perform adequately on-site as per their requirements of the Contract.

c) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela).

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 352 795.17	R 2 256 723.50
Construction Cost (incl. Retention)	R 16 257 859.82	R 16 126 099.66
Internal Funding (Professional/construction Fees)	R 400 352.92	R 400 352.92
TOTALS (Incl Vat)	R 19 011 007.91	R 18 783 176.08

Project Details

Name of Consultant: Singh Govender & Associates cc

Name of Contractor: MVI-SSSS Trading Enterprise cc

Project Commencement Date: August 2023

Contractual Completion Date: April 2024

Revised Practical Completion date: September 2024

Final Termination of Contract: February 2025

Project Scope

- Site Establishment: Establishment of offices, tools, plant, etc.
- General requirements for construction activities: Employment of Local Labour and CLO.

- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- The implementation of Traffic Accommodation facilities.
- Milling of the existing road asphalt to spoil.
- Excavation of the existing road layerworks to stockpile and spoil.
- Subgrade treatment: 300mm undercut to spoil and replace with G7 backfill at unsuitable founding conditions.
- Rip and recompact Roadbed (Subgrade) in preparation for layerworks.
- Installation of cable ducts - and protection to existing services where necessary.
- Import G5 and G2 material from commercial sources for layerworks.
- Construction of a 150mm Subbase layer with G5 material obtained from commercial sources.
- Construction of a 150mm Base layer with G2 material obtained from commercial sources.
- Pre-pulverising cement stabilising of the existing Base layer for areas with minimal degree of surface failures.
- Construction of concrete V-Drains and Kerbing and Channelling.
- Construction of a 40mm Asphalt layer- Mix D, obtained from commercial sources.
- Construction of speed humps.
- Construction of Stormwater pipelines utilising 600mmØ and 450mmØ concrete pipes. The installation of Sub-soil drains for subsurface drainage.
- Construction of Side Inlet Manholes along the roadways. Installation of Guardrails.
- Installation of Gabions.
- Installation of Retaining walls.
- Installation of Road Signs and painting of Road Markings.
- Clearing of the road reserve

Current Status Overall Construction progress 99%: Site establishment 90%, Setting Out of works is 100%, Traffic Accommodation 100%, Site Clearance 100% and Roadbed Preparation 100%, Stormwater Installation 100%, Manhole Construction 97%, Subsoil installation 95%, service crossing ducts 92%, Subsoil Drainage G5 material layer 100% for our subbase layer, G2 Base

layer 100%, Asphalt Surfacing 100%, Road Signs & Marking 85%, Speed Humps 100%, Guardrails 100%, Kerbing and Channel 97.5%, Gabion Retaining Wall 60%.

Practical Completion was achieved on the **12th of September 2024** with Final Completion still outstanding as a result of the Contractor's Poor Performance in completing the identified snag list. Subsequent to the Contractor's failure to complete the project and an Intention to Terminate the Contract a Final Termination to the Contractor has since been served dated ***Friday, 21st February 2025***. Bid document for completion of outstanding works has been issued to SCM for procurement of new contractor.

d) Completion of the "Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)"

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 532 598.83	R 1 531 961.32
Construction Cost (incl. Retention)	R 12 148 430.66	R 12 148 430.66
Internal Funds (Professional/construction Fees)	R 667 565.79	R 635 042.07
TOTALS (Incl. Vat)	R 14 348 595.28	R 14 315 434.05

Project Details

Name of Consultant: DLV Project Managers and Engineers

Termination Previous Contractor	22 August 2024
Name of Contractor:	BIG O Trading 298 CC
Project Commencement Date:	October 2024
Contractual Completion Date:	**13** March 2025
Revised Completion date:	30 June 2025

Project Scope

- Site establishment
- Site clearance
- Completion of Mass Earthworks
- Roadbed Preparation
- Clearing Existing Stormwater Infrastructure
- Completion of New Stormwater Infrastructure
- New Pavement Layerworks
- Road Surfacing
- Kerbs and Channels
- Road Restraint Systems
- Road Signs
- Road Marking
- Finishing

Current Status Overall Construction progress 93%: Site establishment - 100%, Setting Out - 100%, Mass Earthworks - 100%, Roadbed Preparation - 100%, C4 stabilized layer - 99%, Stormwater - 84%, Subsoil drainage - 100%, Priming 100%, Asphalt Surfacing - 100%, Kerbs - 96%, Kerb & Channel - 100%, Finishing the road reserve 80%, Setting up the pipe route by surveyor - 100%. Contractor achieved a Practical Completion of ***Friday, 27th June 2025*** and is currently busy with executing works that have been regarded as snags of the project.

Challenges: Remedial works due to inadequate **q**uality of works from Subcontractor's and Main Contractor. Unsatisfaction of community with some of the reinstatement works that have been carried out by the previous contractor's scope of works.

e) Rehabilitation of Bumbanani Road in Sundumbili - Ward 13, 14 & 15 Phase 1

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 243 837.65	R 2 243 764.93
Construction Cost (incl. Retention)	R 10 679 964.34	R 10 679 964.34
Internal Funds(Professional/construction fees)	R 4 629 230.16	R 1 562 012.76
TOTALS (Incl. Vat)	R 17 553 032.15	R 14 485 742.03

Project Details

Name of Consultant: Kukhanya Projects (Pty) Ltd
Name of Contractor: Iqhawe Elihle Trading
Project Commencement Date: May 2024
Contractual Completion Date: 10 February 2025
Revised Completion date: 25 July 2025

Project Scope

- Site establishment
- Site clearance

- Finishing Construction of 1km long, 7m width asphalt surface road.
- Construction of Kerb and channel where required.
- Construction of Kerb inlet, headwall and manholes where required.
- Construction of 967m stormwater pipes ranging from 450mm-900mm diameter.
- Construction of 874m long, 2m width asphalt finished sidewalk.
- Construction and preparation of bell mouth to tie in the existing internal access road in the vicinity of the proposed road.
- Milling of existing asphalt (to be stockpiled and re-used by the client) Construction of subsoil drain where required.

Current Status Overall Construction Progress 71%: Contractual Submissions 100%, Site Establishment 100%, Accommodation of Traffic 70% Road Construction Works 67%, Stormwater 92%, Kerb & Channel Works 57%, Sidewalk Construction 34% and Asphalt Laying 0%.

Challenges: Heaving section (Road Failure) has been identified on subgrade layer between chainage 20 -120, Bumbanani Road. Theft of Survey Pegs being a continuous issue on site along with water pipe bursts infrastructure due to the damages this causes to the road layer works because of leakages. Contractor has been issued with a Notice of slow progress because of the rate of construction works, poor planning and inadequate resource allocation on their end. Discovery of existing water and sewer main pipeline which intersect / running parallel with the proposed stormwater has delayed works around the affected area on Bumbanani Road section. Inadequate resources and workmanship of appointed local Subcontractors has also contributed to the slow progress of works. The Transnet Gas Pipeline intersecting with the proposed stormwater along with an existing sewerline remains to be challenge because of not having cover as per requirements of the Wayleave Application from Transnet.

f) Upgrade of Machibini Link Road to Isithebe in Ward 10 and 12 - Phase 2

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees (MIG)	R 2 743 191.52	R 2 696 436.49
Construction Cost (MIG)	R 17 536 070.12	R 6 202 059.46
Internal Funds Professional/construction fees)	R 3 932 538.28	R 0.00
TOTALS (Incl. Vat)	R 24 211 799.92	R 8 898 495.95

Name of Consultant: Urbanru (Pty) LTD
Name of Contractor: Silo Construction
Project Commencement Date: September 2024
Contractual Completion Date: 26 June 2025
Revised Completion date: 4 July 2025

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Traffic accommodation facilities.
- Removal of layers and stockpiling for later use. (Earthworks)
- Demolish existing culverts.
- Construction of stormwater infrastructure.
- Construction of sidewalks.
- Construction of layer works
- Erection of Kerbing and Channel.

- Clearing of road reserve.
- Road marking, including road signs.
- Traffic calming measures.
- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

Current Status Overall Construction progress 45%: Contractor has established on site 100%. Contractor has planned alternate routes for traffic accommodation 100%. Clear and grub 100%. Removal of existing asphalt 100%. Earthworks 100%. Demolishing of existing concrete culverts at Ch 3+050 and Ch 3+500 100%. Culvert at 3+050 earthworks 100%. . Some road sections require removal of unsuitable material, that activity is ongoing. Construction of dump rock layer is being done as and when there is a need. Importing of fill material to formation 60%. Concrete culverts at Ch 3+050, setting out, dump rock construction, levelling and blinding construction are complete, contractor is busy with steel fixing. Concrete culvert at Ch 3+500 setting out, levelling is complete, and they have commenced with the installation of concrete pipe culverts.

Challenges: The contractor had experienced the issues with the key personnel; they have appointed the new construction manager. The contractor is behind the programme by 30 days and is experiencing rain and breakdown of plant delays. Unsuitable in-situ material discovered and could not be used as subgrade material as planned. Delays experienced due to severe plant breakdowns supplied by local subcontractors.

g) Construction of a Sportsfield and Combo Court in Khenana: Ward 10 - Phases 1 & 2

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 441 758.19	R 1 072 692.41

Construction Cost (incl. Retention & Surety)	R 10 600 230.99	R 4 167 333.89
TOTALS (Incl. Vat)	R 12 041 989.18	R 5 240 026.3

Project Details

Name of Consultant: Impumelelo Consulting Engineers

Name of Contractor: Nikeresa Construction

Project Commencement Date: January 2025

Contractual Completion Date: March 2026

Revised Completion date: N/A

Project Scope

- Site establishment
- Site clearance
- Bulk earthworks / civils works
- Install Clear View Fencing Complete including gates
- Construction of a Guardhouse and Ablution Facility
- Construction of a Soccer Field
- Construction of a Open Brickwork and Concrete Grandstands
- Construction of a Outdoor Gym inclusive of gym equipment
- Construction of a Combo Court
- Stormwater Control Measures
- Installation of Highmast

Current Status Overall Construction progress 41%: Site Handover / Technical Meeting - 100%, Contractual Submissions 100%, Site Establishment - 100%, Clearing & Grubbing - 100%, Setting Out - 60%, Bulk Earthworks - 50%, Civil Works - 12%, Fencing 70%.

Challenges: Contractor's performance with regards to planning of works and quality of works has been noted as inadequate.

h) Construction of a Community Hall in the Wangu Area, Ward 8.

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 344 770.77	R 954 872.93
Construction Cost (incl. Retention & Surety)	R 7 180 245.34	R 349 583.47
TOTALS (Incl. Vat)	R 8 525 016.11	R 1 304 456.40

Project Details

Name of Consultant: GIBB (Pty) LTD
Name of Contractor: Siyaroro Trading
Project Commencement Date: June 2025
Contractual Completion Date: March 2026
Revised Completion date: N/A

Project Scope

- Establishment on site
- Site clearance and concrete work

- Brickwork
- Plaster
- Painting
- Installation of ironmongery
- Ceiling installation
- Installation of sanitary fittings
- Installation of doors and windows
- Tiling
- Plumbing and drainage.
- Electrical installations
- HVAC installations
- Timber roof trusses and roof sheeting.
- Roadworks
- Asphalt surfacing for parking area
- Installation of kerbs
- Landscaping
- Fencing
- Specialist signage
- General cleaning

Current Status Overall Construction progress 0%:

Challenges: N/A

5.2. Municipal Internal Funding:

Projects under Construction Stage

a) Repair and Renovation of Civic Centre Roof in Mandeni

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 829 510.70	R 1 829 510.71
Construction Cost (Excluding Retention)	R10 993 497.45	R 10 993 497.47
TOTALS (Incl. Vat)	R 12 823 008.15	R 12 823 008.18

Project Details

Name of Consultant: LZM Africa Holdings

Name of Contractor: Uhlanga Trading Enterprise

Project Commencement Date: October 2022

Contractual Completion Date: July 2023

Revised Practical Completion date: 30 June 2024

Actual Completion Date: February 2025

Project Scope

The scope of works includes the following activities.

- Replacement of Existing roof
- Replacing existing ceiling
- Treatment of Rising damp by Specialists
- Installation of Energy saving Components and the replacement of all existing Electrical Components and Wiring

- Upon Replacement of Existing Roofs, the networking and Security cabling will be exposed to damages therefore re-routing and the installation of cable trays is recommendable.
- Damaged Walls with visible rising damp has to restored and re-painted.

Current Status Overall Construction progress 100%: Project is completed.

Challenges: n/a

b) New Protection Services Centre DLTC

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 114 723.00	R 1 615 369.85
Construction Cost (including variation order)	R 15 525 192.27	R 14 600 179.49
TOTALS (Incl. Vat)	R 17 639 915.27	R 16 215 549.34

Project Details

Name of Consultant: Nzamakhuze Holdings
Name of Contractor: Mlombomvu Projects
Project Commencement Date: January 2023
Contractual Completion Date: July 2023
Revised Completion date: 31 August 2024

Project Scope

- Site establishment

- Site clearance
- Fencing (450m Approximately) and installation of Vehicular Gates
- Excavation for foundation
- Construction of brickworks for super structure
- Installation of roof sheeting including finishing off remaining works
- Plaster and Paint works for internal walls
- Electrical connections and Plumbing works
- Building Electrical and Mechanical Works (Fire and HVAC)
- Portable water pipeline supply will be connected on the district Municipality main water pipeline.
- Parking and related pavement earthworks and layer works
- Stormwater Drainage Works and Installation of Jojo Tanks (specification changed to steel tank)
- Yard marking
- Installation of Sewer Reticulation
- Finishes
- Landscaping
- Cleaning, removal of building rubble and reinstatement of lawns

Additional Scope:

- Installation of a steel tank
- Installation of burglar guards
- Construction of a steep hill

Current Status Overall Construction progress 100%: Site Establishment 100%, Excavation for foundation 100%, Construction of brickworks for super structure 100%, Installation of roof sheeting including finishing off remaining works (suspended ceiling) 100%,

Installation of Sewer Reticulation 100%, Parking and related pavement earthworks 100%, layer works 100%, Concrete Drains 100%, Plaster 100% and Paint works for internal walls 100%, Plumbing works 100%, Building Electrical and Mechanical Works (Fire and

HVAC) 100%, Stormwater Drainage Works 100%, Portable water pipeline supply will be connected on the district Municipality main water pipeline 100%, Yard Marking 100%, Fencing 100% and installation of Vehicular Gates 100%, Finishes 100%. Landscaping 100%, Cleaning, removal of building rubble and reinstatement of lawns 100%.

Additional Scope:

- Installation of a steel tank - 100%
- Installation of burglar guards - 100%
- Construction of a steep hill - 100%

Challenges: N/a

c) Extension of Mechanical Workshop and Construction of New Offices

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 910 105.97	R 1 774 651.88
Construction Cost (Incl Ret.)	R 16 996 962.19	R 15 103 608.53
TOTALS (Incl. Vat)	R 18 907 069.16	R 16 878 260.41

Project Details

Name of Consultant: Ukwakha Consulting Engineers
Name of Contractor: Bheka Phezulu Investment and Sales
Project Commencement Date: July 2023
Contractual Completion Date: March 2024

Revised Completion Date: 24 February 2025

Contractor's Termination Date: 17 April 2025

Project Scope

- Site establishment
- Site clearance, demolition of existing pavement
- Demolition of an existing building
- Earthworks
- Construction of the new 146m² Mechanical workshop
- Demolition & Modification of the existing workshop storage
- Modification, Repairing and plumbing of the Existing Toilets & Change room
- Construction of the new 100.70m² Office Block
- Construction of the new canteen
- Extension of the existing storage rooms by 114m^2
- Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway
- Construction of new pavement around the site
- Stormwater drainage installation
- Installation of electrical, mechanical, and associated works
- Renovation of the Male and Female Ablution and change rooms
- Construction of New Slabs

Current Status Overall Construction progress 92%: Site Establishment 100%, Site Clearance 95%, Demolition of existing pavement 95%, Demolition of an existing building 100% and Construction of the new Office Block 96%, Earthworks 50%, Construction of the new 146m² Mechanical workshop 75%, Construction of the new canteen 95%, Extension of the existing storage rooms 65%, Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway 45%, Construction of new pavement around the site 30%,

Stormwater drainage installation 70%, Installation of electrical, mechanical and associated works 40%, Renovation of the Male and Female Ablution and change rooms 96%, Construction of New Slab for the vehicle wash bay 90%.

Challenges: The Contractor submitted a revised Extension of Time No.4 application which has been approved for a Revised Practical Completion date being noted for 24th of February 2025, penalties to be imposed should the Contractor not achieve the Revised Completion Date. The Contractor has shown some sense of improvements with regards to the rate of construction works but the recovery of the project to meet the revised completion date has been failed to be achieved as a result of poor planning, inadequate resource allocations and production levels along with inclement weather conditions.

On the 17th of April 2025, the Contractor was issued with a Letter of Termination of the project as a result of Non-compliance towards their contract and failure to bring the project to a final completion.

d) P415 - 459 Ward 3 Streetlights

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 293 059.33	R 277 406.82
Construction Cost Incl. (Retention)	R 3 056 951.76	R 2 478 588.5
TOTALS (Incl. Vat)	R 3 350 071.12	R 3 169 394.62

Project Details

Name of Consultant: AM Consulting Engineers

Name of Contractor: R Busisiwe (Pty) Ltd

Project Commencement Date: May 2024

Contractual Completion Date: **30** September 2024

Revised Completion date: N/A

Project Scope:

- Provision and installation of 52 stepped poles measuring 11 meters each.
- Provision and installation of 3 equipped electrical streetlighting kiosks.
- Installation and activation of streetlighting and kiosks.
- Submission of shop drawings for poles and kiosks before procurement.
- Certification of all installations for compliance.
- Submission of project reports, as-built drawings, and quality stacks upon project handover.

Current Status Overall Construction progress 100%: All 52 lights have been energized. The project has been completed and closed off.

Challenges: N/A.

e) Portion of extension of Kingfisher Road in Ward 3 of Mandeni Municipality

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 310 913.91	R 299 433.95
Construction Cost Incl. (Retention)	R 1 962 640.62	R 1 879 452.60
TOTALS (Incl. Vat)	R 2 273 54.53	R 2 178 886.55

Project Details

Name of Consultant:	Brimstohn Consulting JV
Name of Contractor:	Khumbusi Projects
Project Commencement Date:	January 2025
Contractual Completion Date:	30 April 2025
Revised Completion date:	24 June 2025

Project Scope:

- Establishment on site.
- Clearing & grubbing.
- Traffic accommodation facilities.
- Removal of layers and stockpiling for later use. (Earthworks)
- Construction of stormwater infrastructure.
- Construction of sidewalks
- Construction of layer works
- Erection of Kerbing and Channel.
- Clearing of road reserve.
- Road marking, including road signs.
- Traffic calming measures and streetlights
- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

Current Status Overall Construction progress 100%: Site Establishment 100%. Setting out 100%. Clearing and grubbing 100%. Earthworks 100%. Stormwater Pipes 100% and manholes 100%. Road formation 100%. G7 layer 100%. G5 layer 100%. G2 layer100%, Asphalt 100%, Kerbing and channel 100%, Finishing off road reserve 100%

The contractor has been issued with the instruction to do the additional work, which is to clear, level and import G7 gravel material for the DLTC public parking. EOT was up to 24 June 2025.

Challenges: The project experienced lots of rain and subsequent rain days which caused delays in the progress.

f) Rehabilitation of Isibuko Road (Masilela) and Stormwater Modification in Mandeni Ward 14

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 585 113.19	R 582 493.53
Construction Cost Incl. (Retention)	R 3 798 772.18	R 3 777 077.20
TOTALS (Incl. Vat)	R 4 383 885.37	R 4 359 570.73

Project Details

Name of Consultant: Ngeja Consulting Engineers
Name of Contractor: Humble Frank Multi Service
Project Commencement Date: January 2025
Contractual Completion Date: 5 April 2025
Revised Completion date: 18 June 2025

Project Scope:

- Establishment on site.
- Clearing & grubbing.

- Traffic accommodation facilities.
- Milling and ripping of asphalt pavement layer works.
- Construction of 0.426 km of pavement layer.
- Installation of 600,750 & 900mm dia. concrete pipe
- Construction of manhole structures
- Surface seal 0.426 km of road with a 30mm Continuously graded Asphalt seal.
- Construct kerbs and channels.
- Clean out, repair existing and improve stormwater drainage structures/systems.
- Gabions and Pitching.
- Construct interlock sidewalk 1,5m wide over 0.3 km length.
- Removal and reinstatement of electrical poles.
- Ancillary works (traffic calming, guardrails, and road signage).
- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

Current Status Overall Construction progress 100%: Site Establishment 100%. Traffic accommodation (ongoing). Clearing and grubbing 100%. Milling and ripping of asphalt pavement layerworks 100%. Removal and reinstatement of electrical poles 100%. Boxing of road 100%. Installation of stormwater pipe culverts 100%. Roadbed preparation 100%, G5 layer 100%. G2 layer 100%, Kerbing and channelling 100%, sidewalk base stabilization 100%.

The contractor has submitted extension of time claim for rain delays and additional works identified up to 18 June 2025.

Additional scope:

- Backfilling behind kerbs and slope – 100%
- Gabions and mattress installation – 100%

- Guardrails installation – 100%

Chllenges: Adverse weather conditions and subsequent rain days which caused delays in the progress. The contractor has submitted extension of time claim for rain delays and additional works identified up to 18 June 2025.

g) Establishment Of New Cemeteries, Phase 1 In Hlomendlini

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	n/a	n/a
Construction Cost Incl. (Retention)	R2 199 829.68	R0
TOTALS (Incl. Vat)	R2 199 829.68	R 0

Project Details

Name of Consultant: N/A
Name of Contractor: Mdlangeni Trading cc
Project Commencement Date: 15 April 2025
Contractual Completion Date: 30 June 2025
Revised Completion date: n/a

Project Scope:

- Site Establishment
- Supply and installation of a 1 500 m concrete palisade fencing including gates to the Hlomendlini Cemetery as specified in the Bill of quantities.

- Construction of a guardhouse.

Current Status Overall Construction progress 0%: Contractor has been granted access to site.

Challenge: Project has been brought to halt by community. contractor is off site until matter is resolved through public engagement with ward councillor.

Projects under Planning Stage

h) Main Offices Master Plan and Building of the New Office Block

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 10 000 000(R5 000 000-adjustment budget)	R 13 409 689.08
Construction Cost Incl. (Retention)	TBC	TBC
TOTALS (Incl. Vat)	R 10 000 000	R 13 409 689.08

Project Details

Name of Consultant: DLV engineers and project managers

Name of Contractor: TBC

Project Commencement Date: TBC

Contractual Completion Date: TBC

Revised Completion date: N/A

Project Scope:

- Assessment of the current conditions of the proposed site;
- Determine the accommodation schedule requirements from Mandeni Local Municipality.
- Architectural design proposals for approval from Mandeni Local Municipality;
- Engineering survey of the site;
- A geotechnical investigation to establish the current roads centreline materials investigations;
- Detailed architectural design;
- Detailed bulk earthworks, civil infrastructure, electrical, parking areas, stormwater and roads designs;
- Cost analysis, schedule of quantities and quantity surveying activities;
- Compilation of Tender Documents;
- Tender process and evaluation;
- Construction implementation and supervision;
- Project Completion.

Current Status Overall Construction progress: Project advertised on the 29th of April 2025 with Tenders being closed on **Monday, 2nd June 2025**. Tender stage to appoint suitable service provider.

Challenges: N/A

i) Extension of Mechanical/ Technical Services Building Phase 2 and Fencing of Technical Services Depot

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 375 853.79	R 378 334.76
Construction Cost Incl. (Retention)	TBC	TBC
TOTALS (Incl. Vat)	R 1 375 853.79	R 378 334.76

Project Details

Name of Consultant: Mabalengwe Engineers

Name of Contractor: TBC

Project Commencement Date: TBC

Contractual Completion Date: **TBC**

Revised Completion date: N/A

Project Scope:

- Bulk Earthworks (Platforms)
- 5,5m Wide Croton Place Road
- 7m Wide Cul-de-sac
- Yellow Plant Parking Lots
- Walkways
- Road Kerbs
- Retaining Walls
- Balustrading
- Ramps

- Storm water reticulation
- Water reticulation Item
- 2,5m High Brickwall Fencing
- 3m High Clear-vu Fencing
- Landscaping

Current Status Overall Construction progress: Inception 100%, Concept and Viability 100% and Project on planning stage. Tender stage. Awaiting award for suitable service provider.

Challenges: Due to budget limitations, other items have been removed from this phase of the project and are to be implemented in the outer years.

5.3. Department of Energy: Integrated National Electrification Programme (INEP) Projects

Projects under Construction

a) Emhlangeni Electrification Project - 110 HH

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 657 761.40	R 657 761.40
Construction Cost Incl. (Retention)	R 3 283 535.71	R 3 283 535.71
TOTAL (excl. vat)	R 3 941 297.11	R 3 941 297.11

Project Details

Name of Consultant: PSMT Consulting Engineers
Name of Contractor: R Busisiwe (Pty) Ltd
Project Commencement Date: May 2023
Completion Date: July 2023
Revised Completion Date: 30 April 2024

Current Status: Project is complete. All outages done. Project to be handed over to Eskom.

Challenges: None.

b) Okhovothi Electrification Project

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R210 983.83	R128 424.94
Construction Cost Incl. (Retention)	R 899 998.72	R 582 773.82
TOTAL (Excl. Vat)	R1 363 717.39	R 814 698.63

Project Details

Name of Consultant: **BVI Engineers**
Name of Contractor: **Onombuthu (Pty) Ltd**

Project Commencement Date: **May 2023**
Completion Date: **August 2023**
Revised Completion Date: **June 2024**

Current Status: Overall construction progress is at 100%.

Challenges: Project detailed design has been approved by Eskom, the commissioning will commence on the 14th of July 2025. This date was decided at a preplanning meeting held on the 1st of July 2025.

c) Mandeni Substation Project

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 11,826,735.62	R 8 884 000.00
Construction Cost	R0	R0
TOTAL	R 8 884 000.00	R 8 884 000.00

Project Details

Name of Consultant: **ZLM Engineers**
Name of Contractor: **N/A**
Project Commencement Date: **12 May 2023**
Completion Date: **TBC**
Revised Completion Date: **NilCurrent**

Status: Project is currently at the design stage. Draft design has been submitted for consideration however the final design to be concluded with the approval of Eskom design team.

Challenges: Application for a self-build to Eskom has been made. Eskom has provided the municipality with a cost estimate fee for carrying out a feasibility study and provide Network information from where the High Voltage line feeding the substation will be tied in. The municipality has made the payment for the cost estimate fee. This subsequently allows Eskom to commence with their feasibility study and provide necessary network capacity information. Currently awaiting Eskom to present the final design of the feeder line to the substation.

5.4 Municipal Disaster Response Grant

(a) Re-gravelling Road from Thengela to Nazareth Church in Ward 8

Project Details

Name of Consultant: Libeko (Pty) Ltd

Name of Contractor: Musa and Sons Trading Enterprise (Pty) Ltd

Project Commencement Date: June 2025

Anticipated Completion Date: October 2025

Revised Completion Date: Nil

Project Scope:

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 398 803.57	R 94 090.91
Construction Cost (Including retention)	R 1 981 696.43	R 223 709.50
TOTAL	R 2 380 500.00	R 317 800.41

- Site establishment
- Clearing and grabbing.
- Mass Earthworks (Cut to borrow to fill, cut to spoil)
- Layer works consisting of (G9, G7 & G5 Gravel materials)
- Concrete V-Drains and Subsoils
- Prefabricated Culverts
- Road signs
- Landscaping works, topsoiling and grassing

Current Status Overall Construction progress 2%: Site Establishment 100%, Setting out - 100 %, Clearing and grabbing - 0%, Installation of sub soil - 0%, Overhaul - 0%, concrete pipe installation and construction of Structure (Stormwater), Bulk earthworks (cut to fill & cut to spoil) - 0%, Preparation of the roadbed – 0%, Gravel subbase layer (G7) - 0%, Gravel wearing course (G5), - 0%, Installation of gabions and mattresses - 0%, Installation of signages - 0%, Clearing of road reserve

Challenges: N/A

(b) Re-gravelling of Thulas to Ematsheketsheni road in Ward 12

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 349 144.02	R 262 887.47

Construction Cost	R 2 493 885.89	R 124 200.00
TOTAL	R 2 800 000.0	R 387 087.47

Project Details

Name of Consultant: **FDKL Engineering Consultants**
Name of Contractor: **Amathokozamahle (Pty) LTD**
Project Commencement Date: **June 2025**
Completion Date: **October 2025**
Revised Completion Date: **Nil**

- Site Establishment
- Temporary works including services relocation / protection, and traffic accommodation
- Clear and grubbing for roadworks
- Mass Earthworks (Cut to borrow to fill, cut to spoil)
- Layer works consisting of (G9, G7 & G5 Gravel materials)
- Concrete V-Drains and Subsoils
- Prefabricated Culverts
- Concrete Surfacing (25 MPa) of Steep areas
- Landscaping works, topsoiling and grassing

- **Current Status Overall Construction progress: Construction 6%:** Site Establishment 70%, Clear and grubbing for roadworks 0%, Mass Earthworks (Cut to borrow to fill 0%, cut to spoil 0%)Layer works consisting of (G9 - 0%, G7- 0% & G5 -

0% Gravel materials), Concrete V-Drains 0% and Subsoils 0%, Prefabricated Culverts 0%, Concrete Surfacing (25 MPa) of Steep areas 0%, Landscaping works, topsoiling and grassing 0%.

Challenges: N/A

6 IMPLICATIONS

6.1 FINANCIAL

All projects being implemented will have to be funded in terms of the approved municipal budget. Funding is either through grant funding or municipal revenue funding.

6.2 LEGAL

All procurement will be done in terms of the Municipal Supply Chain Management Policy, or any other relevant policy of council and implementation will be in terms of all relevant legislation or regulations applicable.

6.3 PUBLIC RELATIONS

Project Steering Committees (PSC's) are established through the Office of the Speaker to address community consultation on all projects. The PSC's meet regularly to attend to issues relating to the community affected by the projects. Further, community liaison officers from the project areas are employed on the projects to assist with community consultation.

7. COMMENTS BY OTHER HEADS OF DEPARTMENT

Supported by all Department

Projects under The Municipal Infrastructure Grant (MIG) Funding:

2024/25 Financial Year MIG Allocation	**R46 473 000**
Less: Total Expenditure (incl. Retention)	**R46 473 000**
Balance	R0
Expenditure of as a %	**100%**

Projects under Construction Stage

- Construction of a Sportsfield in Hlomendlini
- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela).
- Nyoni Taxi Route Phase 4
- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)
- The Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1
- Upgrade of Machibini Link Road to Isithebe in Ward 10 and 12 Phase 2
- Construction of a Soccer Field and Combo Court in Khenana Township, Ward 10
- Construction of Community Hall in Ward 8

Projects that are in the planning stage with MIG

- Rehabilitation of Quartz Road and Portion of Platinum Road in Ward 4
- Construction of a Sportsfield in Ward 2, Mandeni
- Construction of a Sportsfield in Ward 1, Mandeni

Projects that are in planning stage and registered with MIG

- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 14, Chappies Section: Tender stage

Projects under Municipal Internal Funding

Projects under Construction

- Repair and Renovation of Civic Centre Roof in Mandeni: completed
- New Protection Services Centre DLTC: Completed, under defects
- Extension of Mechanical Workshop and Construction of New Offices
- P415-459 Ward 3 Streetlights: completed
- Extension of Portion of Kingfisher Road in Ward 3, Mandeni
- Rehabilitation of Isibuko Road (Masilela) and Stormwater Modification in Mandeni Ward 14

Projects under planning

- Establishment of new office building at the Municipality's Main Office :Tender stage, BAC
- Extension of Mechanical / Technical Services Building Phase 2 and Fencing of Technical Services Depot: Tender stage, BAC
- Construction of a Community Hall in Ward 6: Completed
- Construction of a Community Hall in Ward 12: Completed
- Construction of community hall in Ward 16: Incomplete
- Construction of community hall in Ward 11: Completed
- Construction of community hall in Ward 9: Completed
- Construction of community hall in Ward 10: Incomplete
- Establishment of new emergency centre: Ongoing

Projects under the Integrated National Electrification Programme (INEP)

2023/24 and 2024/25 Financial Year Allocation	**R 8 884 000.00**
Less: Total Expenditure (Incl. VAT)	R 8 884 000.00
Balance	R 0.00
Expenditure as a %	**100%**

Projects under Planning Stage

? Mandeni Sub-station – Bulk

Municipal Disaster Response Grant

2024/25 Financial Year MIG Allocation	**R5 180 500**
Less: Total Expenditure (incl. Retention)	R704 887.88
Balance	R 4 435 612.12
Expenditure of as a %	**13.6%**

Projects under Construction

- Re-gravelling of Road from Thengela to Nazareth church in Ward 8.
- Re-gravelling of Road Thulas to Ematsheketsheni road in Ward 12

PROGRESS ON PROJECTS AND EXPENDITURE

Municipal Infrastructure Grant

a) Installation of High Mast Lights in Mandeni, Phase 2 (Ward 3, 5, 9, 11 and 12x2)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 067 105.27	R 1 022 364.28
Construction Cost (incl. Retention) (V.O : R 367 004.50)	R 5 413 316.30	R 5 283 165.92
TOTALS (Incl. Vat)	R 6 480 421.57	R 6 3055 530.20

Project Details

Name of Consultant: Africoast JBFE Project Manager

Name of Contractor: R Busisiwe (Pty) Ltd

Project Commencement Date: January 2023

Contractual Completion Date: July 2023

Revised Completion date: 20 May 2024

b) Construction of a Hlomendlini Sportfield - Ward 4

Project Scope

- Supply and install of 6 x 30m high mast lighting.
- Installation and Commissioning of street and high mast lighting.
- Certifying all the installations for compliance.
- Submitting project report, designs/drawings and quality stacks on project handover.

Current Status Overall Construction progress 98%: All overhead support infrastructure and underground infrastructure has been installed. All 6 High masts have been erected, and light fittings have been installed. Quotations for the supply points from Eskom have been received and paid for by the municipality. Eskom to commence with the installation of supply points.

Challenges: The energization of the high masts is dependent on Eskom to provide the supply points available. The installation of the supply points is estimated to commence within three months from the date of submission of the proof of payment to Eskom.

B) Construction of Hlomendlini Sport field in Ward 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 333 210.46	R 1 333 210.46
Construction Cost (incl. Retention)	R 7 951 934.33	R 4 598 092.71
Internal Funding (Professional and construction Fees)	R1 547 441.12	R1 118 795.88
TOTALS (Incl Vat)	R 10 832 585.91	R 7 050 099.05

Project Details

Name of Consultant: Siyazenzela Consulting

Name of Contractor: Sihawusethu Trading (Pty) Ltd

Project Commencement Date: January 2025

Contractual Completion Date: **5** May 2025

Revised Completion date: 13 June 2025

Project Scope

- Site Establishment and Setting out of works.
- Bulk earthworks to the various elements of infrastructure on site.
- Construction of a soccer field (110m x 75m).
- Construction of a combi court (38m x 19.5m).
- Construction of an ablution facility (10 toilet units), with change rooms (3 toilet units), public toilets (2 toilet units) and office/first aid room including water, sewage, and electrical supply.
- Construction of a grandstand with a minimum of 5 rows of seats (length of 25m).
- Installation of fencing including gate house (pedestrian and vehicle gates).
- Construction of an unpaved parking area.

Current Status of Construction Progress 35% (Overall Progress 80%):

Site Handover, Site Establishment 100%, Setting Out 100%, Site Clearance 90%, Subsoil 90%, Bulk Earthworks (Combo Court, Ablution & Guardhouse) 85%, Layerworks to Sportsfield 65%, Layerworks to Combo Court 40%, Access Road & Parking 30%, Grandstand 15%.Extension of Time Claim submitted and approved by the Municipality ending on the 13th of June Penalties imposed on the project for poor performance.

Challenges

Poor performance of the Contractor due to poor workmanship caused by lack of supervision on site was noted in the previous months, with some signs of minimal improvements in this regard. Poor quality of works and non-compliance towards their contractual obligations still remains an area where improvements are required.

This has resulted in issuing further notices of default as the Contractor has failed to comply contractually and perform adequately on-site as per their requirements of the Contract.

c) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela).

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 352 795.17	R 2 256 723.50
Construction Cost (incl. Retention)	R 16 257 859.82	R 16 126 099.66
Internal Funding (Professional/construction Fees)	R 400 352.92	R 400 352.92
TOTALS (Incl Vat)	R 19 011 007.91	R 18 783 176.08

Project Details

Name of Consultant: Singh Govender & Associates cc

Name of Contractor: MVI-SSSS Trading Enterprise cc

Project Commencement Date: August 2023

Contractual Completion Date: April 2024

Revised Practical Completion date: September 2024

Final Termination of Contract: February 2025

Project Scope

- Site Establishment: Establishment of offices, tools, plant, etc.
- General requirements for construction activities: Employment of Local Labour and CLO.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- The implementation of Traffic Accommodation facilities.
- Milling of the existing road asphalt to spoil.
- Excavation of the existing road layerworks to stockpile and spoil.
- Subgrade treatment: 300mm undercut to spoil and replace with G7 backfill at unsuitable founding conditions.
- Rip and recompact Roadbed (Subgrade) in preparation for layerworks.
- Installation of cable ducts - and protection to existing services where necessary.
- Import G5 and G2 material from commercial sources for layerworks.
- Construction of a 150mm Subbase layer with G5 material obtained from commercial sources.
- Construction of a 150mm Base layer with G2 material obtained from commercial sources.
- Pre-pulverising cement stabilising of the existing Base layer for areas with minimal degree of surface failures.
- Construction of concrete V-Drains and Kerbing and Channelling.
- Construction of a 40mm Asphalt layer- Mix D, obtained from commercial sources.
- Construction of speed humps.
- Construction of Stormwater pipelines utilising 600mmØ and 450mmØ concrete pipes. The installation of Sub-soil drains for subsurface drainage.
- Construction of Side Inlet Manholes along the roadways. Installation of Guardrails.
- Installation of Gabions.
- Installation of Retaining walls.
- Installation of Road Signs and painting of Road Markings.
- Clearing of the road reserve

Current Status Overall Construction progress 99%

Site establishment 90%, Setting Out of works is 100%, Traffic Accommodation 100%, Site Clearance 100% and Roadbed Preparation 100%, Stormwater Installation 100%, Manhole Construction 97%, Subsoil installation 95%, service crossing ducts 92%, Subsoil Drainage G5 material layer 100% for our subbase layer, G2 Base layer 100%, Asphalt Surfacing 100%, Road Signs & Marking 85%, Speed Humps 100%, Guardrails 100%, Kerbing and Channel 97.5%, Gabion Retaining Wall 60%.

Practical Completion was achieved on the **12th of September 2024** with Final Completion still outstanding as a result of the Contractor's Poor Performance in completing the identified snag list. Subsequent to the Contractor's failure to complete the project and an Intention to Terminate the Contract a Final Termination to the Contractor has since been served dated ***Friday, 21st February 2025***. Bid document for completion of outstanding works has been issued to SCM for procurement of new contractor.

Completion of the "Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)"

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 532 598.83	R 1 531 961.32
Construction Cost (incl. Retention)	R 12 148 430.66	R 12 148 430.66
Internal Funds (Professional/construction Fees)	R 667 565.79	R 635 042.07
TOTALS (Incl. Vat)	R 14 348 595.28	R 14 315 434.05

Project Details

Name of Consultant:	DLV Project Managers and Engineers
Termination Previous Contractor	22 August 2024
Name of Contractor:	BIG O Trading 298 CC
Project Commencement Date:	October 2024
Contractual Completion Date:	**13** March 2025
Revised Completion date:	30 June 2025

Project Scope

- Site establishment
- Site clearance
- Completion of Mass Earthworks
- Roadbed Preparation
- Clearing Existing Stormwater Infrastructure
- Completion of New Stormwater Infrastructure
- New Pavement Layerworks
- Road Surfacing
- Kerbs and Channels
- Road Restraint Systems
- Road Signs
- Road Marking
- Finishing

Current Status Overall Construction progress 93%:

Site establishment - 100%, Setting Out - 100%, Mass Earthworks - 100%, Roadbed Preparation - 100%, C4 stabilized layer -

Project Details

Name of Consultant: Kukhanya Projects (Pty) Ltd

Name of Contractor: Iqhawe Elihle Trading

Project Commencement Date: May 2024

Contractual Completion Date: 10 February 2025

Revised Completion date: 25 July 2025

99%, Stormwater - 84%, Subsoil drainage - 100%, Priming 100%, Asphalt Surfacing - 100%, Kerbs - 96%, Kerb & Channel - 100%, Finishing the road reserve 80%, Setting up the pipe route by surveyor - 100%. Contractor achieved a Practical Completion of ***Friday, 27th June 2025*** and is currently busy with executing works that have been regarded as snags of the project.

Challenges: Remedial works due to inadequate **q**uality of works from Subcontractor's and Main Contractor. Unsatisfaction of community with some of the reinstatement works that have been carried out by the previous contractor's scope of works.

a) Rehabilitation of Bumbanani Road in Sundumbili - Ward 13, 14 & 15 Phase 1

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 243 837.65	R 2 243 764.93
Construction Cost (incl. Retention)	R 10 679 964.34	R 10 679 964.34
Internal Funds(Professional/construction fees)	R 4 629 230.16	R 1 562 012.76
TOTALS (Incl. Vat)	R 17 553 032.15	R 14 485 742.03

Project Details

Name of Consultant: Kukhanya Projects (Pty) Ltd
Name of Contractor: Iqhawe Elihle Trading
Project Commencement Date: May 2024
Contractual Completion Date: 10 February 2025
Revised Completion date: 25 July 2025

Project Scope

- Site establishment
- Site clearance
- Finishing Construction of 1km long, 7m width asphalt surface road.
- Construction of Kerb and channel where required.
- Construction of Kerb inlet, headwall and manholes where required.
- Construction of 967m stormwater pipes ranging from 450mm-900mm diameter.
- Construction of 874m long, 2m width asphalt finished sidewalk.
- Construction and preparation of bell mouth to tie in the existing internal access road in the vicinity of the proposed road.
- Milling of existing asphalt (to be stockpiled and re-used by the client) Construction of subsoil drain where required.

Current Status Overall Construction Progress 71%: Contractual Submissions 100%, Site Establishment 100%, Accommodation of Traffic 70% Road Construction Works 67%, Stormwater 92%, Kerb & Channel Works 57%, Sidewalk Construction 34% and Asphalt Laying 0%.

Challenges: Heaving section (Road Failure) has been identified on subgrade layer between chainage 20 -120, Bumbanani Road. Theft of Survey Pegs being a continuous issue on site along with water pipe bursts infrastructure due to the damages this causes to the road layer works because of leakages. Contractor has been issued with a Notice of slow progress because of the rate of construction works, poor planning and inadequate resource allocation on their end. Discovery of existing water and sewer main pipeline which intersect / running parallel with the proposed stormwater has delayed works around the affected area on Bumbanani Road section. Inadequate resources and workmanship of appointed local Subcontractors has also contributed to the slow progress of works. The Transnet Gas Pipeline intersecting with the proposed stormwater along with an existing sewerline remains to be challenge because of not having cover as per requirements of the Wayleave Application from Transnet.

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees (MIG)	R 2 743 191.52	R 2 696 436.49
Construction Cost (MIG)	R 17 536 070.12	R 6 202 059.46
Internal Funds Professional/construction fees)	R 3 932 538.28	R 0.00
TOTALS (Incl. Vat)	R 24 211 799.92	R 8 898 495.95

Name of Consultant: Urban (Pty) LTD
Name of Contractor: Silo Construction
Project Commencement Date: September 2024
Contractual Completion Date: 26 June 2025
Revised Completion date: 4 July 2025

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Traffic accommodation facilities.
- Removal of layers and stockpiling for later use. (Earthworks)
- Demolish existing culverts.
- Construction of stormwater infrastructure.
- Construction of sidewalks.
- Construction of layer works
- Erection of Kerbing and Channel.
- Clearing of road reserve.
- Road marking, including road signs.
- Traffic calming measures.
- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

Current Status Overall Construction progress 45%:

Contractor has established on site 100%. Contractor has planned alternate routes for traffic accommodation 100%. Clear and grub 100%. Removal of existing asphalt 100%. Earthworks 100%. Demolishing of existing concrete culverts at Ch 3+050 and Ch 3+500 100%. Culvert at 3+050 earthworks 100%. Some road sections require removal of unsuitable material, that activity is ongoing. Construction of dump rock layer is being done as and when there is a need. Importing of fill material to formation 60%. Concrete culverts at Ch 3+050, setting out, dump rock construction, levelling and blinding construction are complete, contractor is busy with steel fixing. Concrete culvert at Ch 3+500 setting out, levelling is complete, and they have commenced with the installation of concrete pipe culverts.

Challenges:

The contractor had experienced the issues with the key personnel;

They have appointed the new construction manager.

The contractor is behind the programme by 30 days and is experiencing rain and breakdown of plant delays.

Unsuitable in-situ material discovered and could not be used as subgrade material as planned.

Delays experienced due to severe plant breakdowns supplied by local subcontractors.

c) Construction of a Sportsfield and Combo Court in Khenana: Ward 10 - Phases 1 & 2

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 441 758.19	R 1 072 692.41
Construction Cost (incl. Retention & Surety)	R 10 600 230.99	R 4 167 333.89
TOTALS (Incl. Vat)	R 12 041 989.18	R 5 240 026.3

Project Details

Name of Consultant: Impumelelo Consulting Engineers

Name of Contractor: Nikeresa Construction

Project Commencement Date: January 2025

Contractual Completion Date: March 2026

Revised Completion date: N/A

Project Scope

- Site establishment
- Site clearance
- Bulk earthworks / civils works
- Install Clear View Fencing Complete including gates
- Construction of a Guardhouse and Ablution Facility
- Construction of a Soccer Field
- Construction of a Open Brickwork and Concrete Grandstands
- Construction of a Outdoor Gym inclusive of gym equipment
- Construction of a Combo Court
- Stormwater Control Measures
- Installation of Highmast

Current Status Overall Construction progress 41%: Site Handover / Technical Meeting - 100%, Contractual Submissions 100%, Site Establishment - 100%, Clearing & Grubbing - 100%, Setting Out - 60%, Bulk Earthworks - 50%, Civil Works - 12%, Fencing 70%.

Challenges: Contractor's performance with regards to planning of works and quality of works has been noted as inadequate.

d) Construction of a Community Hall in the Wangu Area, Ward 8.

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 344 770.77	R 954 872.93
Construction Cost (incl. Retention & Surety)	R 7 180 245.34	R 349 583.47
TOTALS (Incl. Vat)	R 8 525 016.11	R 1 304 456.40

Project Details

Name of Consultant: GIBB (Pty) LTD

Name of Contractor: Siyaroro Trading

Project Commencement Date: June 2025

Contractual Completion Date: March 2026

Revised Completion date: N/A

Project Scope

- Establishment on site
- Site clearance
- Concrete work
- Brickwork
- Plaster
- Painting
- Installation of ironmongery
- Ceiling installation
- Installation of sanitary fittings
- Installation of doors and windows
- Tiling
- Plumbing and drainage.
- Electrical installations
- HVAC installations
- Timber roof trusses and roof sheeting.
- Roadworks
- Asphalt surfacing for parking area
- Installation of kerbs
- Landscaping
- Fencing
- Specialist signage

Current Status Overall Construction progress 0%:

Challenges: N/A

Municipal Internal Funding:

Projects under Construction Stage

a) Repair and Renovation of Civic Centre Roof in Mandeni

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 829 510.70	R 1 829 510.71
Construction Cost (Excluding Retention)	R10 993 497.45	R 10 993 497.47
TOTALS (Incl. Vat)	R 12 823 008.15	R 12 823 008.18

Project Details

Name of Consultant: LZM Africa Holdings
Name of Contractor: Uhlanga Trading Enterprise
Project Commencement Date: October 2022
Contractual Completion Date: July 2023
Revised Practical Completion date: 30 June 2024
Actual Completion Date: February 2025

Project Scope

The scope of works includes the following activities.

- Replacement of Existing roof
- Replacing existing ceiling
- Treatment of Rising damp by Specialists
- Installation of Energy saving Components and the replacement of all existing Electrical Components and Wiring
- Upon Replacement of Existing Roofs, the networking and Security cabling will be exposed to damages, therefore re-routing and the installation of cable trays is recommendable.

- Damaged Walls with visible rising damp has to restored and re-painted.

Current Status Overall Construction progress 100%: Project is completed.

Challenges: n/a

b) New Protection Services Centre DLTC

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 114 723.00	R 1 615 369.85
Construction Cost (including variation order)	R 15 525 192.27	R 14 600 179.49
TOTALS (Incl. Vat)	R 17 639 915.27	R 16 215 549.34

Project Details

Name of Consultant: Nzamakhuze Holdings

Name of Contractor: Mlombomvu Projects

Project Commencement Date: January 2023
Contractual Completion Date: July 2023
Revised Completion date: 31 August 2024

Project Scope

- Site establishment
- Site clearance
- Fencing (450m Approximately) and installation of Vehicular Gates
- Excavation for foundation
- Construction of brickworks for super structure
- Installation of roof sheeting including finishing off remaining works
- Plaster and Paint works for internal walls
- Electrical connections and Plumbing works
- Building Electrical and Mechanical Works (Fire and HVAC)
- Portable water pipeline supply will be connected on the district Municipality main water pipeline.
- Parking and related pavement earthworks and layer works
- Stormwater Drainage Works and Installation of Jojo Tanks (specification changed to steel tank)
- Yard marking
- Installation of Sewer Reticulation
- Finishes
- Landscaping
- Cleaning, removal of building rubble and reinstatement of lawns

Additional Scope:

- Installation of a steel tank
- Installation of burglar guards
- Construction of a steep hill

Current Status Overall Construction progress 100%: Site Establishment 100%, Excavation for foundation 100%.
Construction of brickworks for super structure 100%, Installation of roof sheeting including finishing off remaining works (suspended ceiling) 100%.
Installation of Sewer Reticulation 100%, Parking and related pavement earthworks 100%, layer works 100%.
Concrete Drains 100%, Plaster 100% and Paint works for internal walls 100%, Plumbing works 100%.
Building Electrical and Mechanical Works (Fire and HVAC) 100%, Stormwater Drainage Works 100%.
Portable water pipeline supply will be connected on the district Municipality main water pipeline 100%.
Yard Marking 100%, Fencing 100% and installation of Vehicular Gates 100%, Finishes 100%.
Landscaping 100%, Cleaning, removal of building rubble and reinstatement of lawns 100%.

Additional Scope:

- Installation of a steel tank - 100%
- Installation of burglar guards - 100%
- Construction of a steep hill - 100%

Challenges: N/a

c) Extension of Mechanical Workshop and Construction of New Offices

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 910 105.97	R 1 774 651.88
Construction Cost (Incl Ret.)	R 16 996 962.19	R 15 103 608.53
TOTALS (Incl. Vat)	R 18 907 069.16	R 16 878 260.41

Project Details

Name of Consultant: Ukwakha Consulting Engineers

Name of Contractor: Bheka Phezulu Investment and Sales

Project Commencement Date: July 2023

Contractual Completion Date: March 2024

Revised Completion Date: 24 February 2025

Contractor's Termination Date: 17 April 2025

Project Scope

- Site establishment
- Site clearance, demolition of existing pavement
- Demolition of an existing building
- Earthworks
- Construction of the new 146m² Mechanical workshop
- Demolition & Modification of the existing workshop storage
- Modification, Repairing and plumbing of the Existing Toilets & Change room
- Construction of the new 100.70m² Office Block
- Construction of the new canteen
- Extension of the existing storage rooms by 114m^2
- Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway
- Construction of new pavement around the site
- Stormwater drainage installation
- Installation of electrical, mechanical, and associated works
- Renovation of the Male and Female Ablution and change rooms
- Construction of New Slabs

Current Status Overall Construction progress 92%: Site Establishment 100%, Site Clearance 95%, Demolition of existing pavement 95%.

Demolition of an existing building 100% and Construction of the new Office Block 96%, Earthworks 50%.

Construction of the new 146m² Mechanical workshop 75%, Construction of the new canteen 95%, Extension of the existing storage rooms 65%.

Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway 45%, Construction of new pavement around the site 30%.

Stormwater drainage installation 70%, Installation of electrical, mechanical and associated works 40%.

Renovation of the Male and Female Ablution and change rooms 96%.

Construction of New Slab for the vehicle wash bay 90%.

Challenges: The Contractor submitted a revised Extension of Time No.4 application which has been approved, for a Revised Practical Completion date being noted for 24th of February 2025, penalties to be imposed should the Contractor not achieve the Revised Completion Date. The Contractor has shown some sense of improvements with regards to the rate of construction, works but the recovery of the project to meet the revised

completion date has been failed to be achieved as a result of poor planning,

inadequate resource allocations and production levels along with inclement weather conditions.

On the 17th of April 2025, the Contractor was issued with a Letter of Termination of the project

as a result of Non-compliance towards their contract and failure to bring the project to a final completion.

a) P415 - 459 Ward 3 Streetlights

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 293 059.33	R 277 406.82
Construction Cost Incl. (Retention)	R 3 056 951.76	R 2 478 588.5
TOTALS (Incl. Vat)	R 3 350 071.12	R 3 169 394.62

Project Details

Name of Consultant: AM Consulting Engineers
Name of Contractor: R Busisiwe (Pty) Ltd
Project Commencement Date: May 2024
Contractual Completion Date: **30** September 2024
Revised Completion date: N/A

Project Scope:

- Provision and installation of 52 stepped poles measuring 11 meters each.
- Provision and installation of 3 equipped electrical streetlighting kiosks.
- Installation and activation of streetlighting and kiosks.
- Submission of shop drawings for poles and kiosks before procurement.
- Certification of all installations for compliance.
- Submission of project reports, as-built drawings, and quality stacks upon project handover.

Current Status Overall Construction progress 100%: All 52 lights have been energized. The project has been completed and closed off.
Challenges: N/A.

d) Portion of extension of Kingfisher Road in Ward 3 of Mandeni Municipality

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 310 913.91	R 299 433.95
Construction Cost Incl. (Retention)	R 1 962 640.62	R 1 879 452.60
TOTALS (Incl. Vat)	R 2 273 54.53	R 2 178 886.55

Project Details

Name of Consultant: Brimstohn Consulting JV

Name of Contractor: Khumbusi Projects

Project Commencement Date: January 2025

Contractual Completion Date: 30 April 2025

Revised Completion date: 24 June 2025

Project Scope:

- Establishment on site.
- Clearing & grubbing.
- Traffic accommodation facilities.
- Removal of layers and stockpiling for later use. (Earthworks)
- Construction of stormwater infrastructure.
- Construction of sidewalks
- Construction of layer works
- Erection of Kerbing and Channel.
- Clearing of road reserve.
- Road marking, including road signs.
- Traffic calming measures and streetlights
- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

Current Status Overall Construction progress 100%: Site Establishment 100%. Setting out 100%. Clearing and grubbing 100%. Earthworks 100%. Stormwater Pipes 100% and manholes 100%. Road formation 100%. G7 layer 100%. G5 layer 100%. G2 layer100%, Asphalt 100%, Kerbing and channel 100%, Finishing off road reserve 100%

The contractor has been issued with the instruction to do the additional work, which is to clear, level and import G7 gravel material for the DLTC public parking. EOT was up to 24 June 2025.

Challenges: The project experienced lots of rain and subsequent rain days which caused delays in the progress.

Rehabilitation of Isibuko Road (Masilela) and Stormwater Modification in Mandeni Ward 14

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 585 113.19	R 582 493.53
Construction Cost Incl. (Retention)	R 3 798 772.18	R 3 777 077.20
TOTALS (Incl. Vat)	R 4 383 885.37	R 4 359 570.73

Project Details

Name of Consultant: Ngeja Consulting Engineers

Name of Contractor: Humble Frank Multi Service

Project Commencement Date: January 2025

Contractual Completion Date: 5 April 2025

Revised Completion date: 18 June 2025

Project Scope:

- Establishment on site.
- Clearing & grubbing.
- Traffic accommodation facilities.
- Milling and ripping of asphalt pavement layer works.
- Construction of 0.426 km of pavement layer.
- Installation of 600,750 & 900mm dia. concrete pipe
- Construction of manhole structures
- Surface seal 0.426 km of road with a 30mm Continuously graded Asphalt seal.
- Construct kerbs and channels.
- Clean out, repair existing and improve stormwater drainage structures/systems.
- Gabions and Pitching.
- Construct interlock sidewalk 1,5m wide over 0.3 km length.

- Ancillary works (traffic calming, guardrails, and road signage).
- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

Current Status Overall Construction progress 100%: Site Establishment 100%. Traffic accommodation (ongoing).
Clearing and grubbing 100%. Milling and ripping of asphalt pavement layerworks 100%.
Removal and reinstatement of electrical poles 100%. Boxing of road 100%.
Installation of stormwater pipe culverts 100%. Roadbed preparation 100%, G5 layer 100%. G2 layer 100.
Kerbing and channelling 100%, sidewalk base stabilization 100%.

The contractor has submitted extension of time claim for rain delays and additional works identified up to 18 June 2025.

Additional scope:

- Backfilling behind kerbs and slope – 100%
- Gabions and mattress installation – 100%
- Guardrails installation – 100%

Chllenges: Adverse weather conditions and subsequent rain days which caused delays in the progress.
The contractor has submitted extension of time claim for rain delays and additional works identified up to 18 June 2025.

e) Establishment Of New Cemeteries, Phase 1 In Hlomendlini

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	n/a	n/a
Construction Cost Incl. (Retention)	R2 199 829.68	R0
TOTALS (Incl. Vat)	R2 199 829.68	R 0

Project Details

Name of Consultant: N/A

Name of Contractor: Mdlangeni Trading cc

Project Commencement Date: 15 April 2025

Contractual Completion Date: 30 June 2025

Revised Completion date: n/a

Project Scope:

- Site Establishment
- Supply and installation of a 1 500 m concrete palisade fencing including gates to the Hlomendlini Cemetery as specified in the Bill of quantities.
- Construction of a guardhouse.

Current Status Overall Construction progress 0%: Contractor has been granted access to site.

Challenge: Project has been brought to halt by community. contractor is off site until matter is resolved through public engagement with ward councillor.

Projects under Planning Stage

a) Main Offices Master Plan and Building of the New Office Block

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 10 000 000(R5 000 000-adjustment budget)	R 13 409 689.08
Construction Cost Incl. (Retention)	TBC	TBC
TOTALS (Incl. Vat)	R 10 000 000	R 13 409 689.08

Project Details

Name of Consultant: DLV engineers and project managers

Name of Contractor: TBC

Project Commencement Date: TBC

Contractual Completion Date: TBC

Revised Completion date: N/A

Project Scope:

- Assessment of the current conditions of the proposed site;
- Determine the accommodation schedule requirements from Mandeni Local Municipality.
- Architectural design proposals for approval from Mandeni Local Municipality;
- Engineering survey of the site;
- A geotechnical investigation to establish the current roads centreline materials investigations;
- Detailed architectural design;
- Detailed bulk earthworks, civil infrastructure, electrical, parking areas, stormwater and roads designs;
- Cost analysis, schedule of quantities and quantity surveying activities;
- Compilation of Tender Documents;
- Tender process and evaluation;
- Construction implementation and supervision;
- Project Completion.

Current Status Overall Construction progress: Project advertised on the 29th of April 2025 with Tenders being closed on **Monday, 2nd June 2025**.

Tender stage to appoint suitable service provider.

Challenges: N/A

f) Extension of Mechanical/ Technical Services Building Phase 2 and Fencing of Technical Services Depot

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 375 853.79	R 378 334.76
Construction Cost Incl. (Retention)	TBC	TBC
TOTALS (Incl. Vat)	R 1 375 853.79	R 378 334.76

Project Details

Name of Consultant: Mabalengwe Engineers

Name of Contractor: TBC

Project Commencement Date: TBC

Contractual Completion Date: **TBC**

Revised Completion date: N/A

Project Scope:

- Bulk Earthworks (Platforms)
- 5,5m Wide Croton Place Road
- 7m Wide Cul-de-sac
- Yellow Plant Parking Lots
- Walkways
- Road Kerbs
- Retaining Walls
- Balustrading
- Ramps
- Storm water reticulation
- Water reticulation Item
- 2,5m High Brickwall Fencing
- 3m High Clear-vu Fencing
- Landscaping

Current Status Overall Construction progress: Inception 100%, Concept and Viability 100% and Project on planning stage.
Tender stage. Awaiting award for suitable service provider.

Challenges: Due to budget limitations, other items have been removed from this phase of the project and are to be implemented in the outer years.

5.3. Department of Energy: Integrated National Electrification Programme (INEP) Projects

Projects under Construction

a) Emhlangeni Electrification Project - 110 HH

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 657 761.40	R 657 761.40
Construction Cost Incl. (Retention)	R 3 283 535.71	R 3 283 535.71
TOTAL (excl. vat)	R 3 941 297.11	R 3 941 297.11

Project Details

Name of Consultant: PSMT Consulting Engineers
Name of Contractor: R Busisiwe (Pty) Ltd
Project Commencement Date: May 2023
Completion Date: July 2023
Revised Completion Date: 30 April 2024

Current Status: Project is complete. All outages done. Project to be handed over to Eskom.
Challenges: None.

a) Okhovothi Electrification Project

Project Details

Name of Consultant: **BVI Engineers**
Name of Contractor: **Onombuthu (Pty) Ltd**
Project Commencement Date: **May 2023**
Completion Date: **August 2023**
Revised Completion Date: **June 2024**

Current Status: Overall construction progress is at 100%.

Challenges: Project detailed design has been approved by Eskom, the commissioning will commence on the 14th of July 2025. This date was decided at a preplanning meeting held on the 1st of July 2025.

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R210 983.83	R128 424.94
Construction Cost Incl. (Retention)	R 899 998.72	R 582 773.82
TOTAL (Excl. Vat)	R1 363 717.39	R 814 698.63

b) Mandeni Substation Project

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 11,826,735.62	R 8 884 000.00
Construction Cost	R0	R0
TOTAL	R 8 884 000.00	R 8 884 000.00

Project Details

Name of Consultant: **ZLM Engineers**

Name of Contractor: **N/A**

Project Commencement Date: **12 May 2023**

Completion Date: **TBC**

Revised Completion Date: **Nil**

Current Status: Project is currently at the design stage.

Draft design has been submitted for consideration however the final design to be concluded with the approval of Eskom design team.

Challenges: Application for a self-build to Eskom has been made.

Eskom has provided the municipality with a cost estimate fee for carrying out a feasibility study, and provide Network information from where the High Voltage line feeding the substation will be tied in.

The municipality has made the payment for the cost estimate fee.

This subsequently allows Eskom to commence with their feasibility study and provide necessary network capacity information.

Currently awaiting Eskom to present the final design of the feeder line to the substation.

5.4 Municipal Disaster Response Grant

(a) Re-gravelling Road from Thengela to Nazareth Church in Ward 8

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 398 803.57	R 94 090.91
Construction Cost (Including retention)	R 1 981 696.43	R 223 709.50
TOTAL	R 2 380 500.00	R 317 800.41

-

Project Details

Name of Consultant: Libeko (Pty) Ltd

Name of Contractor: Musa and Sons Trading Enterprise (Pty) Ltd

Project Commencement Date: June 2025

Anticipated Completion Date: October 2025

Revised Completion Date: Nil

Project Scope:

- Site establishment
- Clearing and grabbing.
- Mass Earthworks (Cut to borrow to fill, cut to spoil)
- Layer works consisting of (G9, G7 & G5 Gravel materials)
- Concrete V-Drains and Subsoils
- Prefabricated Culverts
- Road signs
- Landscaping works, topsoiling and grassing

Current Status Overall Construction progress 2%: Site Establishment 100%, Setting out - 100 %, Clearing and grabbing - 0%,. Installation of sub soil - 0%, Overhaul - 0%, concrete pipe installation and construction of Structure (Stormwater). Bulk earthworks (cut to fill & cut to spoil) - 0%, Preparation of the roadbed – 0%, Gravel subbase layer (G7) - 0%. Gravel wearing course (G5), - 0%, Installation of gabions and mattresses - 0%, Installation of signages - 0%, Clearing of road reserve

Challenges: N/A

(b) Re-gravelling of Thulas to Ematsheketsheni road in Ward 12

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 349 144.02	R 262 887.47
Construction Cost	R 2 493 885.89	R 124 200.00
TOTAL	R 2 800 000.0	R 387 087.47

Project Details

Name of Consultant: **FDKL Engineering Consultants**

Name of Contractor: **Amathokozamahle (Pty) LTD**

Project Commencement Date: **June 2025**

Completion Date: **October 2025**

Revised Completion Date: **Nil**

- Site Establishment
- Temporary works including services relocation / protection, and traffic accommodation
- Clear and grubbing for roadworks
- Mass Earthworks (Cut to borrow to fill, cut to spoil)
- Layer works consisting of (G9, G7 & G5 Gravel materials)
- Concrete V-Drains and Subsoils
- Prefabricated Culverts
- Concrete Surfacing (25 MPa) of Steep areas

-
- Landscaping works, topsoiling and grassing

- **Current Status Overall Construction progress: Construction 6%:** Site Establishment 70%, Clear and grubbing for roadworks 0%.

  Mass Earthworks (Cut to borrow to fill 0%, cut to spoil 0%)Layer works consisting of (G9 - 0%, G7- 0% & G5 - 0% Gravel materials).

  Concrete V-Drains 0% and Subsoils 0%, Prefabricated Culverts 0%, Concrete Surfacing (25 MPa) of Steep areas 0%.
  Landscaping works, topsoiling and grassing 0%.

Challenges: N/A

APPENDIX P

SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

A] SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

The service that we provide as a municipality is **waste collection, and mobile library in order to assist deep rural areas have an access in educational facility, at some stage the Municipality donated with books to empower schools.**

- ✓ The Municipality have a routinely weekly plan, that accommodates all these entities, which is consistently delivered accordingly.
- ✓ We even provide wheelie bins for these entities.
- ✓ We also provide the skip bins for these entities.

Hence, we do not have backlogs.

- There are some challenges around the schools in Mandeni, such theft of Library Computers and other valuable equipment's. Some schools have poor infrastructure , such as Roads, Bridges and lack of electricity.

B] THE Q SECTION – BACKLOGS BY OTHER DEPARTMENTS

Mandeni has the following clinics:

- Ndulinde
- Isithebe
- Sundumbli
- Hlomendlini
- Mandeni
- Ohwebede
- Tugela
- Macambini, and
- Dokodweni

All these are serviced by Eskom for electricity, and iLembe District.

Pertaining to schools, Mandeni has two **circuits, namely Gingindlovu Circuit and part of Phambela Circuit (in ward 3 & 4)**

About 18 of the rural schools do have access to water, and these schools are situated in ward 06, ward 1, 2,8, 5 & 9 during the 2024/25 financial year.

APPENDIX Q

Service backlogs experienced by the community where another sphere of government is responsible for service provision.

There is still a major challenge to sort of government departments that lack to render the anticipated services to the community. There are backlogs in the department of home affairs, where several community members did not get the proper services in terms of acquiring the proper documents such as identity documents, birth certificates, passports, etc. Most of the Home Affairs Offices have a challenge of encountering technical glitches such as internet.

The Department of Transport also has a backlog. The services are very poor if you assess both the local, provincial, and national roads, there are multiple potholes that damage motor vehicles. In certain rural areas, communities suffer due to absence of bridges, walk-overs that interconnect to areas. Some areas have community members, specifically children who have a difficult time getting to school when it rains as proper bridges aren't built.
The Department of Health has a major challenge as some hospitals have patients sleeping on the floor due to a shortage of beds. Proper machinery and technology are also not supplied to the hospitals. There is still a lack of implementing Batho Pele Principles in some government departments, hence there is a service backlogs experienced by the community.

APPENDIX R

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

The Municipality still exceptional well hence there are no loans made by the municipality as the municipality is sustained by their reserves and investments.

APPENDIX S

DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA s71.

The municipal financial department maintained the consistency and complied, with the submission of all 12 section 71 reports, to the relevant stakeholders. This implies that deadlines were timeously met and prioritized within the 2024/25 financial year by the municipality.

APPENDIX T

NATIONAL AND PROVINCIAL OUTCOME BY LOCAL GOVERNMENT

The Mandeni Municipal assessed by COGTA, in various areas such as quarterly assessment tool, Circular 88 Reporting template, PMS quarterly Reports, Mid-year and Annual Reports. The municipality still complying with these assessments reports competency being noted both nationally and provincially COGTA, in terms of submissions. Various COGTA Assessment Templates that include C88 Reporting Template, Mandeni Municipal Assessment Tool, PMS questionnaire, PMS Status Reports. These templates play an imperative tool to assess the municipality in various sectors so that we can render the anticipated service delivery. Other KPI's assess that certain deadlines are met to show that the municipality reaches certain targets according to dates, targets, and percentages.

Therefore, this shows that the municipality is functional in terms of COGTA Assessments. Thus far, all information required has been timeously submitted by the municipality.

Mandeni Municipality
Annual Financial Statements
for the year ended 30 June 2025

General Information

Country of incorporation and domicile	South Africa
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 provision of services (electricity and refuse) to communities in a sustainable manner to promote social and economic development, and to promote a safe and a healthy environment.

MEMBERS OF EXECUTIVE COUNCIL

Mayor and Chairman of the Executive Committee	Cllr TP Mdlalose
Deputy Mayor	Cllr BL Magwaza
Speaker (Ex-Officio)	Cllr PM Sishi
Members of the Executive Committee	Cllr SZ Mdletshe
	Cllr ST Magwaza
	Cllr BA Mchunu
	Cllr M Shelembe
	Cllr SC Mdletshe
Section 79 Committee	Cllr SW Shandu
Chief Whip	Cllr XH Mathonsi
Other councillors	Cllr NO Dladla
	Cllr NR Dludla
	Cllr SF Gina
	Cllr BA Khumalo
	Cllr SJ Mathonsi
	Cllr S Mathonsi
	Cllr N Mathunjwa
	Cllr BA Mchunu
	Cllr L Mdluli
	Cllr SS Mdunge
	Cllr CT Mhlongo
	Cllr MC Mkhaliphi
	Cllr CL Mthembu
	Cllr DGP Mthembu
	Cllr LS Mthembu
	Cllr N Mpanza
	Cllr SP Naicker
	Cllr MT Ncanana
	Cllr NS Ncube
	Cllr MB Ngidi
	Cllr ME Ndwandwe
	Cllr ZM Nxumalo
	Cllr ST Thwala
	Cllr L Xhakaza
	Cllr LS Zungu

General Information

Senior management	SG Khuzwayo - Municipal Manager NZ Guzana - Chief Financial Officer VP Zulu - Director: Corporate Services RS Dlamini - Director: Technical Services B Sithole - Director: Public Safety and Community Services WD Mbongwa - Director: Economic Development
Auditors	Auditor-General South Africa
Bankers	First National Bank ABSA
Attorneys	Phumlani Ngubane Tembe Kheswa Nxumalo Incorporated Mhlanga Incorporated Bhekisisa Goqo & Co Memela and Associates
Registered office	Mandeni Municipal Office 2 Kingfisher Road Mandeni 4490
Business address	2 Kingfisher Road Mandeni 4490
Postal address	P O Box 144 Mandeni 4490
Telephone number	032 - 456 8200
Fax number	032 - 456 2504
Email address	info@mandeni.gov.za
Grading of local authority	3
Area of jurisdiction	Mandeni Boundary (as determined by the Demarcation Board)
Legislation governing the municipality's operations	Constitution of the Republic of South Africa (Act 108 of 1998) Local Government: Municipal Finance Management Act (Act 56 of 2003) Local Government: Municipal Systems Act (Act 32 of 2000) Local Government: Municipal Structures Act (Act 117 of 1998) Municipal Property Rates Act (Act 6 of 2004) Division of Revenue Act (Act 1 of 2007)

Mandeni Municipality

Annual Financial Statements for the year ended 30 June 2025

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South ernAfrica
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
LGSETA	Local Government Sector Education and Training Authority
SALGA	South African Local Government Association
SARS	South African Revenue Service
SCM	Supply Chain Management
MIG	Municipal Infrastructure Grant
MEC	Member of Executive Committee
EDPHS	Economic Development, Planning and Human Settlement

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 were given unrestricted access to all financial records and related data.

The annual financial statements were prepared in accordance with the 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 he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the 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 loss.

The accounting officer has reviewed the municipality's cash flow forecast for the next twelve months and, in light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

I, the accounting officer, would like to bring to your attention the following material matters:

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 30 of 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 in terms of Section 126(1) of the Municipal Finance Management Act (Act 56 of 2003), set out on pages 8 to 103, which have been prepared on a going concern basis, were approved by the accounting officer on 31 August 2025.

SG Khuzwayo
Accounting Officer

31 August 2025

Accounting Officer's Report

1. Review of activities

Main business and operations

The municipality is engaged in local government activities, which include planning and promotion of integrated development plan and supplying of the services to the community which are water, sanitation, fire and environmental health services.

Net surplus of the municipality was R3,983,688 (2024: surplus R79,076,569).

2. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus of R938,627,952 and that the municipality's total assets exceed its liabilities by R940,857,883.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. All impairments were measured and judged in line with past performances.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year, that may need to be adjusted for or disclosed in the annual financial statements.

4. Accounting Officers' interest in contracts

The accounting officer has no interest in contracts awarded, either direct or indirect.

5. Accounting policies

The annual financial statements are prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations of such Statements issued by the Accounting Practices Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised - March 2024) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

6. Non-current assets

There were no changes in the policy relating to the use of non-current assets.

7. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is as follows:

Name
SG Khuzwayo

Accounting Officer's Report

8. Corporate governance

General

The accounting officer is committed to business integrity, transparency and professionalism in all the municipality's activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice.

Audit and risk committee

In terms of Section 166 of the Municipal Finance Management Act, the Municipality must appoint members of the Audit Committee. The Municipality was satisfied that the Audit Committee of the municipality then, constituted by the non-executive directors was properly constituted to fulfil its role and advise the council of its responsibilities as provided in Section 166 of the Municipal Finance Management Act.

The appointed members of the audit and risk committee are as follows:

- Ms. Phumelele Nzimakwe (Chairperson of the Risk Management Committee) - Appointed 30 April 2024
- Mr. Bongani Mhlongo (Chairperson of the Audit Committee) - Appointed 29 May 2025
- Mr. Amos Zungu - Appointed 29 May 2025
- Mrs. Zama Soji - Appointed 29 July 2025
- Ms. Sphumelele Dlungwane - Appointed 29 May 2025

Internal audit

The municipality has outsourced its internal audit function to HTB Consulting.

Mandeni Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Notes	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	16,305,125	9,356,268
Short-term investments	4	115,593,832	199,451,615
Receivables from exchange transactions	5.1	20,003,569	22,957,747
Receivables from non-exchange transactions	5.2	3,080,502	2,294,785
Statutory receivables	5.3	58,672,925	52,832,933
Inventories	6	41,638,861	42,734,144
		255,294,814	**329,627,492**
Non-Current Assets			
Investment property	7	44,152,000	41,913,000
Property, plant and equipment	8	747,620,465	669,291,315
Intangible assets	9	2,123,913	2,371,690
		793,896,378	**713,576,005**
Total Assets		**1,049,191,192**	**1,043,203,497**
Liabilities			
Current Liabilities			
Payables from exchange transactions	10	74,092,603	70,316,890
Consumer deposits	11	179,038	185,196
Employee benefit obligation	13	1,122,996	1,125,558
Unspent conditional grants and receipts	12	5,291,853	9,028,438
		80,686,490	**80,656,082**
Non-Current Liabilities			
Employee benefit obligation	13	27,646,819	25,769,737
Total Liabilities		**108,333,309**	**106,425,819**
Net Assets		**940,857,883**	**936,777,678**
Reserves			
Housing Development fund		2,229,931	2,133,415
Accumulated surplus	14	938,627,952	934,644,263
Total Net Assets		**940,857,883**	**936,777,678**

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024
Revenue			
Revenue from exchange transactions			
Service charges	16	77,826,134	73,544,048
Construction contracts	17	1,304,348	10,560,568
Rental of facilities and equipment	18	593,198	294,366
Interest income - Service charges	19	1,487,187	919,269
Licences and permits	20	969,092	984,777
Retention forfeits	21	2,491,023	-
Other income	22	2,332,423	2,764,386
Interest received - investment	23	19,863,247	26,748,038
Total revenue from exchange transactions		**106,866,652**	**115,815,452**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	24	63,942,090	58,320,526
Interest income - Property rates	25	3,569,811	3,459,757
Transfer revenue			
Government grants & subsidies	26	298,970,658	297,059,542
Fines, penalties and forfeits	27	1,078,103	1,583,588
Donated assets income	28	1,707,087	14,200
Total revenue from non-exchange transactions		**369,267,749**	**360,437,613**
Total revenue	15	**476,134,401**	**476,253,065**
Expenditure			
Employee related costs	29	(156,631,071)	(130,711,296)
Remuneration of councillors	30	(15,150,585)	(14,955,269)
Irrecoverable debt written off	31	(10,695,563)	(4,388,493)
Depreciation and amortisation	32	(37,846,362)	(31,488,912)
Finance costs	39	(3,399,367)	(3,134,616)
Lease rentals on operating lease	38	(2,261,365)	(2,272,751)
Debt impairment	37	(24,402,858)	(6,047,836)
Inventory consumed	33	(6,134,721)	(3,834,651)
Bulk purchases	34	(58,515,367)	(52,474,725)
Contracted services	40	(81,245,570)	(84,659,034)
Transfers and Subsidies	35	(2,450,000)	(1,700,000)
Operational costs	41	(68,839,043)	(60,092,620)
Total expenditure		**(467,571,872)**	**(395,760,203)**
Operating surplus		**8,562,529**	**80,492,862**
Loss on disposal/scrapping of assets	42	(964,738)	(500,517)
Fair value adjustments	43	2,239,000	1,541,000
Remeasurements of the employee benefit obligations	13	2,619,115	(217,970)
Impairment loss	36	(8,472,218)	(2,238,807)
		(4,578,841)	**(1,416,294)**
Surplus for the period		**3,983,688**	**79,076,568**

Statement of Changes in Net Assets

Figures in Rand	Other NDR	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	1,986,085	859,408,431	861,394,516
Adjustments			
Correction of errors 59	-	(3,840,736)	(3,840,736)
Balance at 01 July 2023 as restated*	**1,986,085**	**855,567,695**	**857,553,780**
Changes in net assets			
Surplus for the year	-	79,076,568	79,076,568
Interest on reserves	147,330	-	147,330
Total changes	147,330	79,076,568	79,223,898
Restated balance at 01 July 2024*	**2,133,415**	**934,644,264**	**936,777,679**
Changes in net assets			
Surplus for the year	-	3,983,688	3,983,688
Interest on reserves	147,414	-	147,414
Repayment of capital	(50,898)	-	(50,898)
Total changes	96,516	3,983,688	4,080,204
Balance at 30 June 2025	**2,229,931**	**938,627,952**	**940,857,883**

Comparative Figures

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Taxation		37,574,846	25,546,585
Sale of goods and services		83,604,676	70,196,724
Grants		297,954,000	293,790,675
Interest income		12,865,195	42,000,936
		431,998,717	431,534,920
Payments			
Employee costs		(168,482,842)	(141,802,002)
Suppliers		(214,647,006)	(191,959,081)
Finance costs		(67)	(136,746)
		(383,129,915)	(333,897,829)
Net cash flows from operating activities	45	**48,868,802**	**97,637,091**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(126,701,625)	(142,727,127)
Proceeds from sale of property, plant and equipment	42	827,381	1,192,678
Proceeds from sale of investment property	42	-	157,000
Purchase of intangible assets	9	-	(2,123,913)
Net cash flows from investing activities		**(125,874,244)**	**(143,501,362)**
Cash flows from financing activities			
Repayment of capital on reserves		(50,898)	-
Interest on reserves capitalised		147,414	147,330
Net cash flows from financing activities		**96,516**	**147,330**
Net increase in cash and cash equivalents		**(76,908,926)**	**(45,716,941)**
Cash and cash equivalents at the beginning of the year		208,807,883	254,524,824
Cash and cash equivalents at the end of the year	3&4	**131,898,957**	**208,807,883**

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2025											
Financial Performance											
Revenue from exchange transactions											
Service charges	86,447,551	-	86,447,551	-		86,447,551	77,826,134		(8,621,417)	90 %	90 %
Sale of goods and rendering of services	9,474,305	(6,719,130)	2,755,175	-		2,755,175	1,304,348		(1,450,827)	47 %	14 %
Rental of facilities and equipment	373,913	350,000	723,913	-		723,913	593,198		(130,715)	82 %	159 %
Interest earned from receivables	962,795	537,000	1,499,795	-		1,499,795	1,487,187		(12,608)	99 %	154 %
Licences and permits	956,522	-	956,522	-		956,522	969,092		12,570	101 %	101 %
Retention forfeits	-	-	-	-		-	2,491,023		2,491,023	DIV/0 %	DIV/0 %
Fair value adjustments	-	-	-	-		-	2,239,000		2,239,000	DIV/0 %	DIV/0 %
Remeasurements of the employee benefit obligations	-	-	-	-		-	2,619,115		2,619,115	DIV/0 %	DIV/0 %
Other income	1,200,000	550,000	1,750,000	-		1,750,000	2,332,423		582,423	133 %	194 %
Interest received - investment	28,000,000	-	28,000,000	-		28,000,000	19,863,247		(8,136,753)	71 %	71 %
Revenue from non-exchange transactions											
Property rates	62,236,581	-	62,236,581	-		62,236,581	63,942,090		1,705,509	103 %	103 %
Interest income - Property rates	2,975,737	332,000	3,307,737	-		3,307,737	3,569,811		262,074	108 %	120 %

Mandeni Municipality

Annual Financial Statements for the year ended 30 June 2025

Transfers recognised - operational	253,162,620	-	253,162,620	-		253,162,620	251,822,000		(1,340,620)	99 %	99 %
Fines, penalties and forfeits	1,310,490	-	1,310,490	-		1,310,490	1,078,103		(232,387)	82 %	82 %
Donated assets income	-	-	-	-		-	1,707,087		1,707,087	DIV/0 %	DIV/0 %
Total revenue (excluding capital transfers and contributions)	**447,100,514**	**(4,950,130)**	**442,150,384**	**-**		**442,150,384**	**433,843,858**		**(8,306,526)**	**98 %**	**97 %**
Employee costs	(152,542,634)	-	(152,542,634)	-	-	(152,542,634)	(156,631,071)	(4,088,437)	(4,088,437)	103 %	103 %
Remuneration of councillors	(16,387,620)	-	(16,387,620)	-	-	(16,387,620)	(15,150,585)	-	1,237,035	92 %	92 %
Depreciation and asset impairment	(37,856,010)	-	(37,856,010)			(37,856,010)	(37,846,362)	-	9,648	100 %	100 %
Finance charges	(3,300,000)	-	(3,300,000)	-	-	(3,300,000)	(3,399,367)	(99,367)	(99,367)	103 %	103 %
Inventory consumed	(4,532,565)	(1,101,657)	(5,634,222)	-	-	(5,634,222)	(6,134,721)	(500,499)	(500,499)	109 %	135 %
Bulk purchases	(57,865,599)	-	(57,865,599)	-	-	(57,865,599)	(58,515,367)	(649,768)	(649,768)	101 %	101 %
Bad debts written off	(6,260,869)	-	(6,260,869)	-	-	(6,260,869)	(10,695,563)	(4,434,694)	(4,434,694)	171 %	171 %
Lease rentals on operating lease	(2,300,000)	-	(2,300,000)	-	-	(2,300,000)	(2,261,365)	-	38,635	98 %	98 %
Debt impairment	(30,260,870)	-	(30,260,870)	-	-	(30,260,870)	(24,402,858)	-	5,858,012	81 %	81 %
Contracted services	(79,269,715)	(4,987,640)	(84,257,355)	-	-	(84,257,355)	(81,245,570)	-	3,011,785	96 %	102 %
Loss on disposal/scrapping of assets	-	(600,000)	(600,000)	-	-	(600,000)	(964,738)	(364,738)	(364,738)	161 %	DIV/0 %
Transfers and subsidies	-	-	-	-	-	-	(2,450,000)	(2,450,000)	(2,450,000)	DIV/0 %	DIV/0 %
Impairment loss	-	-	-	-	-	-	(8,472,218)	(8,472,218)	(8,472,218)	DIV/0 %	DIV/0 %
Other expenditure	(52,454,918)	(11,979,917)	(64,434,835)	-	-	(64,434,835)	(68,839,043)	(4,404,208)	(4,404,208)	107 %	131 %
Total expenditure	**(443,030,800)**	**(18,669,214)**	**(461,700,014)**	**-**	**-**	**(461,700,014)**	**(477,008,828)**	**(25,463,929)**	**(15,308,814)**	**103 %**	**108 %**
Surplus/(Deficit)	**4,069,714**	**(23,619,344)**	**(19,549,630)**	**-**		**(19,549,630)**	**(43,164,970)**		**(23,615,340)**	**221 %**	**(1,061)%**

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	39,760,380	7,661,059	47,421,439	-		47,421,439	47,148,658		(272,781)	99 %	119 %
Surplus (Deficit) after capital transfers and contributions	**43,830,094**	**(15,958,285)**	**27,871,809**	**-**		**27,871,809**	**3,983,688**		**(23,888,121)**	**14 %**	**9 %**
Surplus/(Deficit) for the year	**43,830,094**	**(15,958,285)**	**27,871,809**	**-**		**27,871,809**	**3,983,688**		**(23,888,121)**	**14 %**	**9 %**

Mandeni Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Capital expenditure and funds sources											
Sources of capital funds											
Transfers recognised - capital	34,701,961	6,616,932	41,318,893	-		41,318,893	41,105,090		(213,803)	99 %	118 %
Internally generated funds	92,897,854	1,597,646	94,495,500	-		94,495,500	84,967,841		(9,527,659)	90 %	91 %
Total sources of capital funds	**127,599,815**	**8,214,578**	**135,814,393**	-		**135,814,393**	**126,072,931**		**(9,741,462)**	**93 %**	**99 %**
Financial position											
Total current assets	240,613,861	29,226,081	269,839,942	-		269,839,942	255,294,814		(14,545,128)	95 %	106 %
Total non-current assets	692,231,995	118,702,393	810,934,388	-		810,934,388	793,896,378		(17,038,010)	98 %	115 %
Total current liabilities	(55,156,535)	(30,865,294)	(86,021,829)	-		(86,021,829)	(80,686,490)		5,335,339	94 %	146 %
Total non-current liabilities	(22,993,070)	(2,776,667)	(25,769,737)	-		(25,769,737)	(27,646,819)		(1,877,082)	107 %	120 %
Net Assets	854,696,251	114,286,513	968,982,764	-		968,982,764	940,857,883		(28,124,881)	97 %	110 %

Mandeni Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Cash flows											
Net cash from (used) operating	46,040,207	(3,379,370)	42,660,837	-		42,660,837	48,868,802		6,207,965	115 %	106 %
Net cash from (used) investing	(146,739,790)	(9,444,557)	(156,184,347)	-		(156,184,347)	(125,874,244)		30,310,103	81 %	86 %
Net cash from (used) financing	-	-	-	-		-	96,516		96,516	DIV/0 %	DIV/0 %
Net increase/(decrease) in cash and cash equivalents	**(100,699,583)**	**(12,823,927)**	**(113,523,510)**	-		**(113,523,510)**	**(76,908,926)**		**36,614,584**	**68 %**	**76 %**
Cash and cash equivalents at the beginning of the year	183,423,751	25,384,132	208,807,883	-		208,807,883	208,807,883		-	100 %	114 %
Cash and cash equivalents at year end	**82,724,168**	**12,560,205**	**95,284,373**	-		**95,284,373**	**131,898,957**		**36,614,584**	**138 %**	**159 %**

Material budget differences are disclosed in note 55 - budget variances.

Accounting Policies

1. Presentation of Annual Financial Statements

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, that have been consistently applied in the preparation of these annual financial statements, is disclosed below.

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables

The municipality assesses its trade receivables, held-to-maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held-to-maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value-in-use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by economic factors such as inflation and interest rates.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 10 - Payables from exchange transactions.

Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and intangible assets. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the municipality.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 13.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows under GRAP 13 while the government bond rate was used to discount future cash flows under GRAP 25.

Allowance for debt impairment

For receivables, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.3 Going concern - assumption

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 Investment property

Investment property is property (land or a building - or part of a building) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services; or for
- administrative purposes; or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Accounting Policies

1.4 Investment property (continued)

Subsequent measurement - Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Investment property is derecognised 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.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

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.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Accounting Policies

1.5 Property, plant and equipment (continued)

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are connected for as property, plant and equipment.

Subsequent measurement - cost model (land and buildings)

Subsequent to initial recognition, land and buildings are carried at cost less any subsequent accumulated depreciation and any impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Subsequent measurement - cost model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

Where the municipality replaces part of an asset, it derecognises the part of an asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or the future economic benefits associated with the asset.

Depreciation

Depreciation is calculated on a depreciable amount, using the straight-line basis over the estimated useful life of items of property, plant and equipment unless depreciation of certain assets is being determined using a method other than the estimated useful life.

Upon revision of the remaining useful lives of the assets, the depreciation calculation changes to diminishing balance method i.e. the asset's carrying amount is divided by the number of remaining useful life of an asset multiply by the number of days.

Components of assets that are significant in relation to the whole asset and have different useful lives are depreciated separately.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

The annual depreciation rates are based on the following estimated average useful lives of items of property, plant and equipment and are assessed as follows:

Item	Depreciation method	Average useful life in years
Buildings	Straight-line/ Diminishing Balance	30 years
Infrastructure	Straight-line/ Diminishing Balance	30 years
Community	Straight-line/ Diminishing Balance	30 years
Other property, plant and equipment	Straight-line/ Diminishing Balance	5 to 10 years

The residual value and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from the previous estimate, the change is accounted for as a change in the accounting estimate. In determining the depreciation change for the current year, the residual value for all assets has been taken into account.

Accounting Policies

1.5 Property, plant and equipment (continued)

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.6 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 municipality 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.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets, amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Accounting Policies

1.6 Intangible assets (continued)

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

Intangible assets are derecognised:
- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the statement of financial performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and impairment loss is charged to the statement of financial performance.

Derecognition

Intangible assets are derecognised when the asset is disposed off or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount and is recognised in the statement of financial performance.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The municipality has the following types of financial assets (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Categories
Cash and cash equivalents	Financial asset measured at amortised cost
Call investment deposits	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non- exchange transactions	Financial asset measured at amortised cost
Other receivables	Financial asset measured at fair value

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

Class	Categories
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Other payables	Financial liability measured at amortised cost

Accounting Policies

1.7 Financial instruments (continued)

Initial and subsequent measurement

Financial assets

Held-to-maturity Investments and Loans and Receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with revenue recognised on an effective yield basis.

Financial Assets at Available-for-Sale are initially and subsequently, at the end of each financial year, measured at fair value with the profit or loss being recognised in the Statement of Financial Performance.

Financial assets are recognised on the date they originated for loans and receivables and deposits and for other financial assets, initially on the trade date at which the municipality becomes a party to the contractual provision of the instrument.

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 fair value of investments measured at fair value are recognised in the Statement of Financial Performance.

Financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Finance costs are expensed in the Statement of Financial Performance in the period in which they are incurred except where stated otherwise.

Financial liabilities are recognised on the trade date at which the municipality becomes a party to the contractual provisions of the instrument.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence of impairment of financial assets (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 104.

Initially accounts receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade 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 original effective interest rate.

Consumer debtors are stated at cost less a provision for bad debts. The provision is made in accordance with GRAP 104 whereby the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the instruments at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Accounting Policies

1.7 Financial instruments (continued)

Derecognition of financial assets

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of financial assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Derecognition of financial liabilities

The municipality derecognises financial liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.8 Cash and cash equivalents (including call deposits and short-term investments)

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.

1.9 Statutory receivables

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

Accounting Policies

1.9 Statutory receivables (continued)

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.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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 non-exchange transactions (Taxes and transfers).

Impairment losses for receivables (including exchange and non-exchange)

The municipality assesses at the end of each reporting date whether there is objective evidence that a receivable or a group of receivables is impaired. This assessment is performed both at an individual level for significant accounts and collectively for groups of receivables with similar credit risk characteristics .

If such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. For practical expedience, the Municipality uses a provision matrix approach based on historical collection experience and forward-looking information to estimate lifetime expected credit losses for its portfolio of receivables, a methodology aligned with established practice .

The Municipality considers the following as objective evidence of impairment for an individual receivable:

- Breach of contract, such as a default or delinquency in payments.
- The account holder being granted Indigent status.
- The account being classified as inactive.
- The account being handed over to external attorneys for collection.
- The account holder being under liquidation or having applied for sequestration.
- The account has an unexplained take-on balance.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for statutory receivables is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Accounting Policies

1.9 Statutory receivables (continued)

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivables or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Basis of grouping and key assumptions

Receivables that are not individually impaired are grouped based on customer type and revenue source for collective assessment. The groups are Government, Household, Business, and Industrial .

The calculation of expected credit losses incorporates forward-looking information and uses historical data to determine collection rates applied to different aging categories. Key assumptions include loss rates for specific aging bands and the application of a discount rate based on the South African Repo Rate.

Factors considered in assessing impairment

The primary factor considered is the aging of the receivable. This is supplemented by other specific factors, including the economic environment, historical collection trends, and the presence of objective indicators such as indigent status or legal handover.

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 to another party substantially all of the risks and rewards of ownership of the receivable; 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.

Any difference between the consideration received and the amounts derecognised is recognised in surplus or deficit.

Accounting Policies

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Property, plant equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured at the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangible assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance costs and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorted of the asset's useful life or the lease term.

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing.

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

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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.

Accounting Policies

1.11 Inventories (continued)

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

Redundant and obsolete inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values. Consumables are written down with regards to their age, condition and utility.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Housing inventory

Housing inventory comprises of houses still in process of construction or completed and not yet transferred. These houses are entirely funded by the National Department of Human Settlements, through the Provincial Department of Human Settlements. The municipality is regarded as a principal in terms of the current interpretation of the Standard of GRAP 12 on Inventories, and therefore recognises these costs as inventory up to the point of transfer to the allocated beneficiary, and thereafter the cost is expensed through the Statement of Financial Performance. Housing inventory is measured at the lower of cost and current replacement cost as they will be distributed through a non-exchange transaction.

1.12 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:
- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

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

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

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.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

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 municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

Accounting Policies

1.12 Impairment of cash-generating assets (continued)

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro-rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the municipality does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit.

Accounting Policies

1.13 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance-related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance-related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Accounting Policies

1.13 Employee benefits (continued)

Multi-employer plans and/or State plans and/or Composite social security programmes

The entity classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the entity accounts for it in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the entity accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the entity account for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Accounting Policies

1.13 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans. The municipality has an obligation to provide post-retirement health care benefits to certain of its retirees. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current conditions of service) on retirement, is entitled to remain a continued member of the medical aid fund in which case the municipality is liable for a certain portion of the medical aid membership fee.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The 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 entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:
- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:
- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

Accounting Policies

1.13 Employee benefits (continued)

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Accounting Policies

1.13 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected reflects the time value of money and is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:
- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Long-term service awards

The municipality has an obligation to provide long-term service awards to all if its employees who have been in service of the municipality for a certain period of time. According to the rules of the long-term service allowance scheme, which the municipality has 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 5,10, 15, 20, 25, 30, 35, 40 and 45 years of continued service.

The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liability. Actuarial gains and losses on the long-term service awards are recognised in the statement of financial performance.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:
- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:
- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

Accounting Policies

1.13 Employee benefits (continued)

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.14 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating expenditure.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Accounting Policies

1.14 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 47 unless the possibility of an outflow or resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefit is probable.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability are added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.12.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

Accounting Policies

1.14 Provisions and contingencies (continued)

Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- those outflows of resources that are within the scope of other Standards, and
- fines or other penalties that are imposed for breaches of the legislation.

Government refers to government, government agencies and similar bodies whether local, national or international.

The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.

The municipality does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the municipality being economically compelled to continue to operate in that future period. The preparation of financial statements under the going concern assumption does not imply that the municipality has a present obligation to pay a levy that will be triggered by operating in a future period.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time (i.e. if the activity that triggers the payment of the levy, as identified by the legislation, occurs over a period of time).

If an obligation to pay a levy is triggered when a minimum threshold is reached, the corresponding liability is recognised when that minimum threshold is reached.

The municipality recognises an asset if it has prepaid a levy but does not yet have a present obligation to pay that levy.

1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or services potentially during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Service charges relating to electricity are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when 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.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

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

- the municipality has transferred to the purchaser 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 from the sale of electricity prepaid meter cards is recognised at the point of sale.

Revenue from the sale of tender documents is recognised at the point of sale.

Accounting Policies

1.15 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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 recorded number of refuse containers per property.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licenses and permits.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.16 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Fines are economic benefits or service potential received or receivable by municipalities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Accounting Policies

1.16 Revenue from non-exchange transactions (continued)

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or services potentially compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to the government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or services potentially from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Taxes

The municipality recognises an asset in respect of property rates when the taxable event occurs and the asset recognition criteria are met.

Resources arising from property rates satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured.

The taxable event for property rates is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Accounting Policies

1.16 Revenue from non-exchange transactions (continued)

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by the debtors.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Retention forfeits

Retention forfeits are recognised as revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the value of the forfeit can be measured reliably.

Retention forfeits are recognised immediately in surplus or deficit in the period in which the forfeit occurs.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind are not recognised.

Concessionary loans received

A concessionary loan is a loan granted to or received by a property, plant and equipment on terms that are not market-related.

The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non-exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market-related rate of interest.

The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the comparative figures recognises revenue as and when it satisfies the conditions of the loan agreement.

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-proportionate basis.

Accounting Policies

1.17 Value-added tax

The municipality accounts for value-added tax (VAT) on a payment basis.

The municipality is registered with the South African Revenue Services (SARS) for VAT on a payment basis, in accordance with section 15(2) of the VAT Act (Act no. 89 of 1991).

Revenue, expenses and assets are recognised net of the amount of VAT except:

- Where the VAT incurred on the purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- Receivables and payables that are stated with the amount VAT included.

1.18 Comparative figures

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 year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

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

1.19 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (Act No.56 of 2003) and includes:

- overspending of the total amount appropriated in the municipality's approved budget;
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.
- 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 paragraphs (b),(c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or a grant by the municipality in accordance with the Municipal Finance Management Act.

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.

Unauthorised expenditure is an expenditure that has not been budgeted for, an expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or an organ of the state. An expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Accounting Policies

1.21 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is an expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

Irregular expenditure is an expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.22 Accumulated surplus

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of a Council resolution (Number C30 dated 17.10.2012).

These transfers from the net surplus may only be made if they are backed by cash. The amount transferred to CRR is based on the municipality's need to finance future capital progress included in the integrated development plan. The following provisions are set for the creation and utilisation of the CRR:

- the cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.
- interest earned on the CRR investment is recorded as part of the total interest earned in the statement of financial performance
- the CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for maintenance of these items.
- whenever an asset is purchased out of CRR, an amount equal to the cost price of the asset purchased is transferred from the CRR into a future depreciation reserve called the Capitalisation Reserve. This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the CRR. The Capitalisation Reserve is used to offset depreciation charged on assets purchased out of the CRR to avoid double taxation of the consumers.
- if a gain is made on the sale of assets previously purchased out of the CRR, the gain on these assets sold is reflected in the statement of financial performance.

Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund.

Provisions are set out for the creation and utilisation of the Housing Development Fund. The Housing Development Fund is cash- backed, and invested in accordance with the investment policy of the municipality.

In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

Accounting Policies

1.22 Accumulated surplus (continued)

Donations and public contributions reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/deficit.

Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant-funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant-funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

1.23 Budget 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 amounts. Explanatory comment is provided in the notes to the Statement giving motivations for over- or under spending on items where it is found to be material. The budgeted figures are those approved by the Council at the beginning and during the 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 1 July 2024 to 30 June 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.

Accounting Policies

1.24 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.25 Events after the reporting date

The municipality has carefully considered whether events occurring between the Statement of Financial Position date and the date of approval should be reflected in the annual financial statements. Events after the reporting period (or 'post-Statement of Financial Position events') are either adjusting events or non-adjusting events.

Adjusting events provide further evidence of conditions that existed at the statement of financial position date and the carrying amounts of assets and liabilities at the statement of financial position date are adjusted for such events. Non-adjusting events relate to conditions that arose after the statement of financial position date and should be disclosed.

The municipality adjusts the amount recognised in the annual financial statements to reflect adjusting events after the reporting date once the event occurred.

1.26 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Accounting Policies

1.27 Construction contracts 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.

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 entity 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 variations in contract work, claims and incentive payments 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.

1.28 Borrowing costs

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

Borrowing costs are recognised as an expense in the period in which they are incurred.

Accounting Policies

1.29 Accounting by principals and agents

Identification

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

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

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

Identifying whether an entity is a principal or an agent

When the municipality is a 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.

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.

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.

Accounting Policies

1.30 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments that are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.31 Transfers and subsidies

Transfers and subsidies include all unrequited payments made by the municipality. A payment is unrequited provided that the municipality does not receive anything of similar value directly in return for the transfer to the other party.

Transfers and subsidies are recognised in the Statement of Financial Performance as expenses in the period in which the events giving rise to the transfer occurred.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, there are no new standards and interpretations that are effective for the current financial year and that are relevant to the municipality's operations.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied 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	No effective date set	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	No effective date set	Unlikely there will be a material impact
• GRAP 103 (amended): Heritage Assets	No effective date set	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Not expected to impact results but may result in additional disclosure

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	6,220	6,220
Bank balances	16,298,905	9,350,048
	16,305,125	**9,356,268**

The municipality has the following bank accounts:

Account number / description	Bank statement balances			Cash book balances		
	30 June 2025	30 June 2024	30 June 2023	30 June 2025	30 June 2024	30 June 2023
FNB - Cheque Account - 52940480587	16,298,905	6,556,506	9,951,795	16,298,905	9,350,048	10,320,035

Cash and cash equivalents pledged as collateral

The municipality has no cash and cash equivalents pledged as collateral.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

4. Short-term investments

Short-term investments consist of deposits and conditional grants that are ring-fenced to be cash-backed.

ABSA - Mandeni branch		
Call investment deposits		
Account number - 2978		
Cash book balance	100,000,000	-
Bank statement balance	100,000,000	-
First National Bank - Mandeni branch -		
Call investment deposits		
Account number - C061294217372		
Cash book balance	459	181,571,023
Bank statement balance	459	181,571,023
First National Bank - Mandeni branch -		
Call investment deposits		
Account number - C062028673219		
Cash book balance	2,154,238	2,132,564
Bank statement balance	2,154,238	2,132,563
First National Bank - Mandeni branch -		
Call investment deposits		
Account number - C062812286400		
Cash book balance	42,805	5,393,616
Bank statement balance	42,805	7,675,512
First National Bank - Mandeni branch -		
Call investment deposits		
Account number - C062113325882		
Cash book balance	543,049	473,216
Bank statement balance	543,049	473,217
First National Bank - Mandeni branch -		
Call investment deposits		
Account number - C062527527462		
Cash book balance	1	1
Bank statement balance	1	-
First National Bank - Mandeni branch -		
Call investment deposits		
Account number - C062538203449		
Cash book balance	5,709,080	5,271,757
Bank statement balance	5,709,080	5,271,757
First National Bank - Mandeni branch		
Call investment deposits -		
Account number - C062812286963		
Cash book balance	2,221,084	4,598,156
Bank statement balance	2,221,084	5,172,336

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

4. Short-term investments (continued)

First National Bank - Mandeni branch - Call investment deposits Account number - C63048438097		
Cash book balance	4,923,118	11,282
Bank statement balance	4,923,118	11,282
Cash book balance	**115,593,834**	**199,451,615**
Split between current and non-current portions		
Current assets	115,593,832	199,451,615

The following short-term investments have no restrictions on the use of funds:

- First National Bank - Mandeni branch - Call investment deposits
  Account number - C061294217372
- First National Bank - Mandeni branch - Call investment deposits
  Account number - C062113325882
- First National Bank - Mandeni branch - Call investment deposits
  Account number - C062538203449
- ABSA- Mandeni branch - Call investment deposits
  Account number -2081682978
- ABSA- Mandeni branch - Call investment deposits
  Account number -2081875210
- ABSA- Mandeni branch - Call investment deposits
  Account number -2081683152
- ABSA - Mandeni branch - Call Investment deposit
  Account number -2081683128

The following short-term investments have the following restrictions on the use of funds:

- First National Bank - Mandeni branch - Call investment deposits
  Account number - C062028673219:
  This account may only be used for housing-related expenditure.
- First National Bank - Mandeni branch - Call investment deposits
  Account number - C062812286400:
  This account may only be used for MIG expenditure.
- First National Bank - Mandeni branch - Call investment deposits
  Account number - C062812286963
  This account may only be used for housing title deeds.
- First National Bank - Mandeni branch - Call investment deposits
  Account number - C062527527462
  This account may only be used for electrification programmes.

Included in the amounts above are capital grants. See note 12 for additional information.

Short-term investments pledged as collateral

The municipality has no short-term investments pledged as collateral.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

5. Receivables (including statutory receivables)

All the receivables of the municipality are presented in this note and disclosed accordingly as per their respective categories.

The interest disclosed in this note represents all the interest owed to the municipality by the different categories of receivables.

5.1 Receivables from exchange transactions

Gross balances		
Electricity	4,971,443	9,582,904
Waste management	69,856,462	67,045,970
Prepayments	2,373,318	2,524,281
Accrued investment income	9,512,055	-
Deferred VAT on liabilities (input)	2,537,655	4,757,289
Other receivables from exchange transactions (not aged)	1,519,229	1,221,111
	90,770,162	**85,131,555**
Less: Allowance for impairment		
Electricity	(3,048,712)	(2,167,855)
Waste management	(67,295,453)	(59,583,525)
Other receivables from exchange transactions	(422,428)	(422,428)
	(70,766,593)	**(62,173,808)**
Net balance		
Electricity	1,922,731	7,415,049
Waste management	2,561,009	7,462,445
Prepayments	2,373,318	2,524,281
Accrued investment income	9,512,055	-
Deferred VAT on liabilities (input)	2,537,655	4,757,289
Other receivables from exchange transactions	1,096,801	798,683
	20,003,569	**22,957,747**
Gross other receivables comprise of:		
Other receivables	1,273,659	975,541
Postage deposit	10,000	10,000
Rental deposit	235,570	235,570
	1,519,229	**1,221,111**
Electricity		
Current (0 - 30 days)	1,121,038	6,309,619
31 - 60 days	40,159	(450)
61 - 90 days	167,737	144,490
91 - 120 days	106,109	91,573
121 - 365 days	867,353	600,688
> 365 days	2,669,047	2,436,984
Impairment	(3,048,712)	(2,167,855)
	1,922,731	**7,415,049**
Other receivables from exchange transactions		
Current (0 - 30 days)	1,096,801	798,683

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
5.1 Receivables from exchange transactions (continued)		
Waste management		
Current (0 - 30 days)	2,167,309	2,126,436
31 - 60 days	(285)	(17,057)
61 - 90 days	928,021	907,511
91 - 120 days	907,783	904,405
121 - 365 days	7,544,706	6,628,265
> 365 days	58,308,928	56,496,410
Impairment	(67,295,453)	(59,583,525)
	2,561,009	**7,462,445**
Prepayments		
Current (0 -30 days)	2,373,318	2,524,281
Accrued investment income		
Current (0 -30 days)	9,512,055	-
Deferred VAT on liabilities (input)		
Current (0 - 30 days)	2,537,655	4,757,289
5.2. Receivables from non-exchange transactions		
Gross balances		
Interest	38,238,314	35,695,319
Less: Non-exchange transactions impairment		
Interest	(35,157,812)	(33,400,534)
Net balances		
Interest	3,080,502	2,294,785
Interest		
Current (0 -30 days)	830,212	747,772
31 - 60 days	300	-
61 - 90 days	418,872	368,664
91 - 120 days	419,449	362,656
121 - 365 days	3,449,918	3,159,244
> 365 days	33,119,563	31,056,983
Less: Impairment	(35,157,812)	(33,400,534)
	3,080,502	**2,294,785**
Households		
Current (0 -30 days)	4,009,934	5,112,189
31 - 60 days	36,411	(27,817)
61 - 90 days	2,041,040	2,051,577
91 - 120 days	1,997,001	2,854,768
121 - 365 days	16,135,202	18,921,933
> 365 days	142,270,526	130,296,372
Less: Impairment	(160,456,767)	(142,971,941)
	6,033,347	**16,237,081**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

5.2. Receivables from non-exchange transactions (continued)

Industrial/Commercial		
Current (0 -30 days)	6,077,252	5,943,916
31 - 60 days	(5,731)	(5,386)
61 - 90 days	657,418	691,738
91 - 120 days	585,439	779,247
121 - 365 days	12,407,862	11,532,996
> 365 days	23,246,690	19,358,377
Less: Impairment	(35,600,225)	(29,994,359)
	7,368,705	**8,306,529**
National/Provincial Government		
Current (0 -30 days)	478,536	10,567,528
31 - 60 days	16,242	(14)
61 - 90 days	261,638	357,429
91 - 120 days	281,795	429,118
121 - 365 days	18,957,159	5,677,237
> 365 days	28,430,423	22,444,239
	48,425,793	**39,475,537**
Provision for Impairment		
Current (0 -30 days)	(4,844,837)	(4,255,670)
31 - 60 days	(123,864)	(108,801)
61 - 90 days	(1,031,945)	(906,453)
91 - 120 days	(1,068,538)	(938,596)
121 - 365 days	(24,275,627)	(21,323,535)
> 365 days	(169,324,645)	(148,733,543)
	(200,669,456)	**(176,266,598)**

Reconciliation of allowance for impairment for receivables

Opening balance	(176,266,598)	(170,218,762)
Contribution for bad debt	(24,402,858)	(6,047,836)
	(200,669,456)	**(176,266,598)**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

5.3. Statutory receivables

Statutory receivables general information

Gross balances		
Rates	146,332,810	126,415,933
Fines	5,194,346	4,190,036
VAT receivable (payment basis)	1,890,827	2,919,225
	153,417,983	**133,525,194**
Less: Allowance for impairment		
Rates	(90,555,022)	(77,814,390)
Fines	(4,190,036)	(2,877,871)
	(94,745,058)	**(80,692,261)**
Net balances		
Rates	55,777,788	48,601,543
Fines	1,004,310	1,312,165
VAT receivable (payment basis)	1,890,827	2,919,225
	58,672,925	**52,832,933**
Rates		
Current (0 - 30 days)	6,447,163	14,194,452
31 - 60 days	6,747	(15,710)
61 - 90 days	1,445,465	1,680,079
91 - 120 days	1,430,894	2,704,499
121 - 365 days	35,638,247	25,744,002
> 365 days	101,364,294	82,108,611
Less: Impairment	(90,555,022)	(77,814,390)
	55,777,788	**48,601,543**
Fines		
Not aged	5,194,346	4,190,036
Less: Impairment	(4,190,036)	(2,877,871)
	1,004,310	**1,312,165**
VAT receivable (payment basis)		
Current (0 -30 days)	1,890,827	2,919,225
Total		
Current (0 -30 days)	13,532,336	21,303,712
31 - 60 days	6,747	(15,710)
61 - 90 days	1,445,465	1,680,079
91 - 120 days	1,430,894	2,704,499
121 - 365 days	35,638,247	25,744,002
> 365 days	101,364,294	82,108,611
Less: Impairment	(94,745,058)	(80,692,260)
	58,672,925	**52,832,933**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

5.3 Statutory receivables (continued)

Transactions arising from statute

The following prescripts authorise the municipality to charge and collect funds to fund its mandate. The resulting receivables are therefore classified as statutory receivables and are disclosed as such as per GRAP 108 Statutory Receivables:

- Section 229(1) of the Constitution of the Republic of South Africa;
- Municipal Properties Rates Act; and
- Administrative Adjudication of Road Traffic Offences Act.

Determination of transaction amount

The municipality initially measures statutory receivables at their transaction amount. The transaction amount for the purposes of GRAP 108 Statutory Receivables means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Interest charged

Interest is accrued on the outstanding balance of statutory receivables. The municipality adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest on property rates is calculated at the rate of 2% per annum.

Interest charged on property rates is recognised in the statement of financial performance as follows:

Interest income - Property rates	3,569,811	3,459,757

6. Inventories

Land	40,456,000	41,744,000
Consumable stores	1,018,625	804,148
Maintenance materials	164,236	185,996
	41,638,861	**42,734,144**
Consumable stores		
Opening balance	804,148	572,495
Additions	1,253,362	1,365,417
Issued/(expensed)	(1,038,885)	(1,133,764)
	1,018,625	**804,148**
Maintenance materials		
Opening balance	185,996	141,356
Additions	137,536	518,778
Issued/(expensed)	(159,296)	(474,138)
	164,236	**185,996**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

7. Investment property

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	44,152,000	-	44,152,000	41,913,000	-	41,913,000

Reconciliation of investment property - 2025

	Opening balance	Additions	Disposals	Fair value adjustments	Total
Investment property	41,913,000	-	-	2,239,000	44,152,000

Reconciliation of investment property - 2024

	Opening balance	Additions	Disposals	Transfers	Fair value adjustments	Total
Investment property	40,529,000	-	(157,000)	-	1,541,000	41,913,000

Pledged as security

No items of investment property have been pledged as security.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

7. Investment property (continued)

Details of valuation

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Fair value of investment properties		
Portion 6 of Farm Lot 5 Ca No. 8440	17,000	16,000
Lot 56 of Padianager	137,000	130,000
Lot 1203 of Mandeni - Aloe Road	65,000	62,000
Portion 4 of Farm Lot 13 Tugela No. 13862	815,000	775,000
The Farm Lot 5 Ca No. 8440	3,700,000	3,430,000
Lot 1340 of Mandeni	65,000	62,000
Lot 1018 of Mandeni	250,000	247,000
Lot 175 of Padianager	271,000	258,000
Lot 48 Tugela Mouth	349,000	332,000
Portion 6 Lot 9901 Newark no. 2621	2,575,000	2,455,000
Various lots Padianagar	8,816,000	8,321,000
Various lots Tugela	428,000	400,000
Various lots Tugela Ext 3	2,245,000	2,134,000
Various lots Mandini Ext 7	358,000	348,000
Various lots Mandini Ext 8	24,061,000	22,943,000
	44,152,000	**41,913,000**

Investment properties transferred and disposed

Investment properties disposals		
Lot 1409 Mandini Ext 8	-	157,000

Vacant Land, Lot 1409 Mandini Ext 8 disclosed as investment property was sold and transferred to Mr. LS Magwaza in the 2024 financial year.

Expenditure incurred to repair and maintain investment properties

The Investment properties of the Municipality do not include properties that are rented out to generate rental revenue. Investment Properties in the ownership of the municipality are vacant plots of land with undetermined future use, hence there are no direct operating expenses that are incurred.

Notes to the Annual Financial Statements

Figures in Rand

	2025	2024

8. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	51,998,320	-	51,998,320	51,998,320	-	51,998,320
Buildings	85,424,105	(6,752,212)	78,671,893	73,808,345	(5,234,090)	68,574,255
Infrastructure	660,051,029	(234,253,344)	425,797,685	594,273,129	(219,586,906)	374,686,223
Community	134,804,624	(36,256,137)	98,548,487	124,736,885	(32,303,939)	92,432,946
Other property, plant and equipment	130,247,686	(37,643,606)	92,604,080	111,495,666	(29,896,095)	81,599,571
Total	**1,062,525,764**	**(314,905,299)**	**747,620,465**	**956,312,345**	**(287,021,030)**	**669,291,315**

Mandeni Municipality
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Notes to the Annual Financial Statements

Figures in Rand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	WIP Commissioned	Disposals	Depreciation	Impairment loss	Total
Land	51,998,320	-	-	-	-	-	51,998,320
Buildings	68,574,255	46,004,341	(34,011,938)	(176,337)	(1,718,428)	-	78,671,893
Infrastructure	374,686,223	119,637,639	(40,140,007)	-	(21,794,319)	(6,591,851)	425,797,685
Community	92,432,946	19,108,586	(6,483,337)	(268,787)	(4,360,553)	(1,880,368)	98,548,487
Other property, plant and equipment	81,599,571	22,076,790	-	(1,181,660)	(9,890,621)	-	92,604,080
	669,291,315	**206,827,356**	**(80,635,282)**	**(1,626,784)**	**(37,763,921)**	**(8,472,219)**	**747,620,465**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	WIP Transferred	Disposals	Depreciation	Impairment loss	Total
Land	51,998,320	-	-	-	-	-	51,998,320
Buildings	41,279,434	28,220,607	-	-	(925,786)	-	68,574,255
Infrastructure	321,401,341	136,683,452	(61,845,259)	-	(19,314,506)	(2,238,805)	374,686,223
Community	88,802,952	10,811,630	(2,677,971)	(423,928)	(4,079,737)	-	92,432,946
Other property, plant and equipment	58,405,959	31,548,868	-	(1,269,267)	(7,085,989)	-	81,599,571
	561,888,006	**207,264,557**	**(64,523,230)**	**(1,693,195)**	**(31,406,018)**	**(2,238,805)**	**669,291,315**

Pledged as security

No items of property, plant and equipment were pledged as security.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

8. Property, plant and equipment (continued)

Property, plant and equipment in the process of being constructed or developed

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected

Masomonco Link Road Project was abondoned at 92% completion. The Consultant was apointed in the 2022-23 FY to assess and scope remaining work.	2,789,779	6,408,460
Highmast Street Lights Phase 2 Project was practically complete as at 30 June 2025 pending the Eskom Supply points to energise the streetlights	5,505,342	-
	8,295,121	**6,408,460**

Reconciliation of Work-in-Progress - 2025

	Included within Infrastructure	Included within Community	Included within Buildings	Total
Opening balance	50,324,399	12,624,098	46,607,467	109,555,964
Additions/capital expenditure	73,175,243	13,093,938	15,292,357	101,561,538
WIP impaired/Written-off	(4,049,958)	(1,880,368)	-	(5,930,326)
Transferred to completed items	(40,140,007)	(6,483,337)	(34,011,938)	(80,635,282)
	79,309,677	**17,354,331**	**27,887,886**	**124,551,894**

Reconciliation of Work-in-Progress - 2024

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	37,953,139	7,183,610	18,386,860	63,523,609
Additions/capital expenditure	74,216,518	8,118,459	28,220,607	110,555,584
Transferred to completed items	(61,845,258)	(2,677,971)	-	(64,523,229)
	50,324,399	**12,624,098**	**46,607,467**	**109,555,964**

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Buildings	228,473	180,705
Infrastructure	10,070,686	11,990,021
Community	704,678	1,043,413
Other property, plant and equipment	6,246,904	5,799,449
	17,250,741	**19,013,588**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

9. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2,123,913	-	2,123,913	3,256,922	(885,232)	2,371,690

Reconciliation of intangible assets - 2025

	Opening balance	Disposals	Amortisation	Total
Computer software	2,371,690	(165,336)	(82,441)	2,123,913

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software	330,671	2,123,913	(82,894)	2,371,690

Intangible assets includes the Automated Booking System which has a indefinite useful life, hence no amortisation is calculated on it. The other computer software is in respect of Sage Evolution which has since been written-off during the 2024-25 Financial year.

Pledged as security

No items of intangible assets were pledged as security.

10. Payables from exchange transactions

Trade payables	27,321,074	26,127,525
Retention	9,495,046	11,711,684
Other payables	3,273,785	1,710,137
Unallocated deposits	2,123,245	2,049,978
Leave accrual	17,813,845	14,762,019
Bonus accrual	4,256,630	3,446,446
Deferred VAT on receivables (output)	9,837,339	10,538,438
	74,120,964	70,346,227
Cashier's collections	(28,361)	(29,337)
	74,092,603	**70,316,890**

11. Consumer deposits

Electricity	179,038	185,196

No guarantees are held in lieu of Electricity Deposits.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

12. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprise of:

Library KZNPA grant	118	118
Economic Development grant	-	150,000
Sport and recreation grant	57,961	57,961
MIG	-	5,377,559
Housing Title Deed grant	722,871	3,442,800
Municipal Disaster Relief grant	4,510,903	-
	5,291,853	**9,028,438**

Movement during the year

Balance at the beginning of the period	9,028,438	25,788,956
Additions during the period	300,888,411	294,415,000
Income recognition during the period	(304,624,999)	(311,175,518)
	5,291,850	**9,028,438**

See note 26 for reconciliation of grants from and receipts.

The capital grants are invested in a ring-fenced investment until utilised. See note 4 for additional information.

13. Employee benefit obligations

Post-retirement medical benefit plan

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The municipality operated on five accredited medical aid schemes, namely Keyhealth, LA Health, SAMWU, Bonitas and Hosmed.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2025 by 1Pangaea Expertise Solutions. The present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

13. Employee benefit obligations (continued)

Multi-employer pension funds

The municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

All councillors belong to the pension fund for municipal councillors.

Employees belong to a variety of approved pension and provident funds.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation.

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:
(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
(ii) One set of financial statements is compiled for each fund and the financial statements set is not drafted for each participating employer.
(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided in sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors/employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Present value of the defined benefit obligation-partly or wholly funded	(28,769,815)	(26,895,295)
Non-current liabilities	(27,646,819)	(25,769,737)
Current liabilities	(1,122,996)	(1,125,558)
	(28,769,815)	**(26,895,295)**

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	21,803,409	18,389,112
Net expense recognised in the statement of financial performance	1,306,632	3,414,297
	23,110,041	**21,803,409**

Net expense recognised in the statement of financial performance

Current service cost	1,657,531	1,657,531
Interest cost	2,860,840	2,544,533
Benefits paid	(684,552)	(685,518)
Remeasurements	(2,527,187)	(102,249)
	1,306,632	**3,414,297**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

13. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Expected retirement age	63	63
Discount rates used	12.23 %	13.35 %
Medical cost trend rates	7.68 %	9.24 %
Consumer price inflation	6.18 %	7.74 %
Net effective discount rate	4.23 %	3.76 %

Percentage of in-service members withdrawing before retirement

	Female	Male
Age 20 - 24	24.0 %	16.0 %
Age 25 - 29	18.0 %	12.0 %
Age 30 - 34	15.0 %	10.0 %
Age 35 - 40	10.0 %	8.0 %
Age 40 - 44	6.0 %	6.0 %
Age 45 - 49	4.0 %	4.0 %
Age 50 - 54	2.0 %	2.0 %
Age 55 - 59	1.0 %	1.0 %
Age 60+	- %	- %

It is difficult to predict future investment returns and healthcare cost inflation rates. The relationship between them is more stable and therefore easier to predict. GRAP 25 requires that financial assumptions be based on market expectations at the Valuation Date for the period over which the liability obligations are to be settled.

Discount Rate: GRAP 25 stipulates that the choice of this rate should be derived from government bond yields. However, where the market in these bonds is not significant, the market yields on government bonds consistent with the estimated term of the post-employment liabilities should be used. The discount rate at 30 June 2025 is 12,23% which represents the average yield from the zero-coupon government bond curve over a 15 to 20-year term.

Salary Inflation Rate: This assumption is required to reflect the estimated growth in salaries of the eligible employees until retirement.

General Salary Inflation: This assumption is more stable relative to the growth in consumer Price Index (CPI) than in the absolute terms. In most industries, experience has shown, that over the long-term, salary inflation is between 1.0% and 1.5% above CPI inflation.

The implied inflation assumption is 6,18% per annum which represents the market's pricing of inflation by comparing the yields on index-linked government bonds and long-term government bonds with a duration of 15 to 20 years, adjusting for an inflation risk premium of 1% per annum.

It has been assumed that the next salary increase will take place on 1 July 2025.

The next contribution increase was assumed to occur with effect from 1 January 2025.

Replacement ratio: This is the expected pension as a percentage of final salary, at retirement. This assumption is required to determine the income band at the retirement of members since some contribution rate tables are income-dependent. A replacement ratio of 65% was assumed. Income bands are assumed to increase with general salary inflation and therefore an explicit salary inflation assumption is not necessary.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

13. Employee benefit obligations (continued)

Sensitivity analysis on the unfunded accrued liability - Post employment medical obligation

Healthcare Cost Inflation Rate	**1% decrease**	**Valuation Basis**	**1% increase**
	R	**R**	**R**
Opening accrued liability	19,030,016	21,803,409	25,198,343
Service cost	1,373,969	1,657,531	2,017,891
Net interest expense	2,490,944	2,860,840	3,313,684

Discount Rate	**1% decrease**	**Valuation Basis**	**1% increase**
	R	**R**	**R**
Opening accrued liability	25,088,310	21,803,409	19,146,659
Service cost	1,988,170	1,657,531	1,398,006
Net interest expense	3,052,005	2,860,840	2,700,832

Long service awards and retirement gifts

The independent valuers, 1Pangaea Expertise Solutions, carry out a statutory valuation on an annual basis.

The principal actuarial assumptions used were as follows:

Discount rate per annum	9.49 %	11.11 %
General salary inflation (long-term)	5.26 %	6.70 %
Net effective discount rate	4.02 %	4.03 %
Examples of mortality rates used were as follows:		
Average retirement age	63	63
Mortality during employment	SA 85-90	

Membership summary

Number of members	289	303
Average age of members (years)	41.85	40.79
Average past service (years)	8.35	7.50
Average salary (annual)	330,884	286,79

Benefit Structure

Service years	Award (Number of days)	Award (Number of days)
5	5	5
10	10	10
15	20	20
20	30	30
25	30	30
30	30	30
35	30	30
40	30	30
45	30	30

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

13. Employee benefit obligations (continued)

Sensitivity analysis on the unfunded accrued liability - long service award

Salary Increase Rate	**1% decrease**	**Valuation Basis**	**1% increase**
	R	**R**	**R**
Opening accrued liability	4,762,962	5,091,886	5,454,381
Service cost	514,810	559,520	610,526
Net interest expense	502,390	538,460	578,223

Discount Rate	**1% decrease**	**Valuation Basis**	**1% increase**
	R	**R**	**R**
Opening accrued liability	5,442,987	5,091,886	4,777,821
Service cost	608,922	559,520	516,830
Net interest expense	524,515	538,460	549,844

Movement in the defined benefit obligation is as follows:

Balance at the beginning of the year	5,091,886	4,198,364
Current service cost	559,920	475,124
Interest cost	538,460	453,337
Expected benefit payments	(438,564)	(355,158)
Remeasurements	(91,928)	320,219
Balance at the end of year	**5,659,774**	**5,091,886**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

13. Employee benefit obligations (continued)

The amounts recognised in the Statement of Financial Performance were as follows:

Current service cost	559,920	475,124
Interest cost	538,460	453,337
Benefit payment	(438,564)	(355,158)
Remeasurements	(91,928)	320,219
	567,888	**893,522**

In conclusion:

Statement of Financial Position obligation for		
Long service award liability	5,659,774	5,091,886
Retirement benefit liability	23,110,041	21,803,409
	28,769,815	**26,895,295**
Statement of Financial Performance obligation for		
Long service award expense	567,888	893,522
Retirement benefit expense	1,306,632	3,414,297
	1,874,520	**4,307,819**

Key assumptions used

In estimating the liability for long service awards (LSA) a number of assumptions are required. GRAP 25 statement places the responsibility on management to set these assumptions, as guided by the principles set out in the Statement and in discussion with the actuary.

It should be noted that the valuation method and assumptions do not affect the ultimate cost of the LSA - this is determined by the actual experience and by the benefits provided. The method and assumptions influence how the past service liability and future-service costs are recognised over time.

It is difficult to predict future investment returns and healthcare cost inflation rates. The relationship between them is more stable and therefore easier to predict. GRAP 25 requires that financial assumptions be based on market expectations at the Valuation Date for the period over which the liability obligations are to be settled.

Discount Rate: GRAP 25 stipulates that the choice of this rate should be derived from high-quality corporate bond yields. However, where the market in these bonds is not significant, the market yields on government bonds consistent with the estimated term of the post-employment liabilities should be used. The discount rate is 9.49% which represents the average yield from the zero-coupon government bond curve over nine years which is consistent with the cash flow weighted average of the liabilities of nine years.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

14. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus

	Revaluation reserve	Public contributions reserve	Accumulated surplus	Total
Balance at 01 July 2023	**151,731,208**	**50,941,129**	**551,107,179**	**753,779,516**
Surplus for the year	-	-	79,076,568	79,076,568
Reserves	-	-	107,660	107,660
Balance at 01 July 2024	**151,731,208**	**50,941,129**	**630,291,407**	**832,963,744**
Surplus for the year	-	-	3,983,688	3,983,688
Balance at 30 June 2025	**151,731,208**	**50,941,129**	**634,275,095**	**836,947,432**

15. Revenue

Service charges	77,826,134	73,544,048
Construction contracts	1,304,348	10,560,568
Rental of facilities and equipment	593,198	294,366
Interest income - service charges	1,487,187	919,269
Licences and permits	969,092	984,777
Retention forfeits	2,491,023	-
Other income	2,332,423	2,764,386
Interest received - external investments	19,863,247	26,748,038
Property rates	63,942,090	58,320,526
Interest income - Property rates	3,569,811	3,459,757
Government grants and subsidies	298,970,658	297,059,542
Fines	1,078,103	1,583,588
Donated assets income	1,707,087	14,200
	476,134,401	**476,253,065**

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	77,826,134	73,544,048
Construction contracts	1,304,348	10,560,568
Rental of facilities and equipment	593,198	294,366
Interest income - service charges	1,487,187	919,269
Licences and permits	969,092	984,777
Retention forfeits	2,491,023	-
Other income	2,332,423	2,764,386
Interest received - external investment	19,863,247	26,748,038
	106,866,652	**115,815,452**

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Property rates	63,942,090	58,320,526
Interest income - Property rates	3,569,811	3,459,757
Transfer revenue		
Government grants and subsidies	298,970,658	297,059,542
Fines	1,078,103	1,583,588
Donated assets income	1,707,087	14,200
	369,267,749	**360,437,613**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
16. Service charges		
Sale of electricity	64,753,473	61,164,195
Refuse removal	13,072,661	12,379,853
	77,826,134	**73,544,048**
17. Construction contracts		
INEP grant	1,304,348	6,420,870
Massification grant	-	4,139,698
	1,304,348	**10,560,568**
18. Rental of facilities and equipment		
Premises		
Hall hire and sports fields	249,651	157,877
Municipal properties	292,447	92,201
Stalls rental	51,101	44,289
	593,199	**294,367**
19. Interest income - Service charges		
Interest received on service charges	1,487,187	919,269
20. Licences and permits		
Drivers licences	53,550	41,510
Business licences	145,422	52,047
Learners licences	770,120	891,220
	969,092	**984,777**
21. Retention forfeits		
Retention forfeits	2,491,023	-
22. Other income		
Building plan fees	58,804	114,797
Sundry income	1,000,916	575,524
Connection fees	113,220	135,525
Swimming pool entrance fees	97,239	47,150
Photocopier charges	109,042	84,265
Rates clearance certificates	29,778	16,526
Town planning fees	88,647	91,897
Sale of land	-	230,000
LG SETA	422,511	1,054,093
Escort fees	412,266	414,609
	2,332,423	**2,764,386**
23. Investment revenue		
Interest revenue		
Bank and call deposits	19,863,247	26,748,038

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

24. Property rates

Rates received

Residential	27,498,112	25,465,440
Commercial	47,543,203	44,580,410
State	28,206,095	22,353,881
Less: Rebates	(39,305,320)	(34,079,205)
	63,942,090	**58,320,526**

Valuations

Residential	1,739,379,200	1,754,532,200
Commercial	392,348,200	391,423,200
Industrial	1,076,540,600	1,083,380,600
Mining	11,682,000	11,682,000
Agricultural	1,663,177,600	1,665,027,600
Municipal	219,722,000	184,964,000
Public Services Infrastructure	177,514,200	184,780,200
Public Benefit Organisation	63,265,000	63,265,000
Vacant land	75,210,000	79,031,000
Public Services Purposes	657,795,000	662,895,000
Place of Worship	31,875,000	31,875,000
	6,108,508,800	**6,112,855,800**

In terms of the Municipal Property Rates Act (MPRA), the municipality implemented a new General Valuation Roll with effect from 1 July 2023. The first Supplementary Valuation Roll (SV1) was implemented on 1 July 2024 and forms part of the property rates revenue for the 2024/2025 financial year. The next General Valuation Roll is scheduled for implementation in the 2028/2029 financial year.

Properties are categorised in accordance with the MPRA and include residential, commercial, industrial, agricultural, mining, municipal, public service infrastructure, public benefit organisation, vacant land, place of worship, and public service purpose. These categories inform the applicable rates tariffs and are used to determine annual property rates income.

The following are the rates randage that were applied to the valuations in respect of the various categories:

Residential	0.0162	0.0155
Commercial	0.0275	0.0262
Industrial	0.0275	0.0262
Industrial Estate Special	0.0275	0.0262
Mining	0.0275	0.0262
Agriculture	0.0041	0.0039
Public Service Infrastructure	0.0041	0.0039
State	0.0257	0.0245
Municipal	0.0257	0.0245
State Trust land	0.0205	0.0195
Vacant land	0.0257	0.0245
Place of worship	0.0257	0.0245
Public benefit organisation	0.0041	0.0039

In terms of the Municipal Property Rates Act and the Council-approved Rates Policy, the first R15,000 of the market value of all rateable residential properties is exempt from property rates. In addition, a further reduction of R185,000 is applied to the market value of residential properties as per Council Resolution, providing substantial relief to qualifying owners.

Rebates are granted to pensioners, medically boarded individuals, and persons with disabilities, subject to application and verification processes. These rebates aim to provide financial relief to vulnerable groups within the community.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

24. Property rates (continued)

Council has also approved targeted rebates of 40% for industrial properties and 80% for agricultural properties. These categories were identified through local economic analysis as strategic economic enablers expected to contribute meaningfully to the realisation of the Mandeni Local Municipality Vision 2030. The intent is to support investment, job creation, and sustainable economic growth within the region.

25. Interest income - Property rates

Interest received on property rates	3,569,811	3,459,757

26. Government grants and subsidies

Operating grants		
Equitable share	243,588,000	230,823,000
Finance Management Grant	1,800,000	1,850,000
EDTEA Grant	-	840,000
Library grant	4,619,000	4,423,001
EPWP Grant	1,815,000	2,553,000
	251,822,000	**240,489,001**
Capital grants		
Municipal Infrastructure Grant	46,478,561	41,014,441
Municipal Disaster Relief Grant	670,097	15,556,100
	47,148,658	**56,570,541**
	298,970,658	**297,059,542**

EPWP Grant

Current-year receipts	1,815,000	2,553,000
Conditions met - transferred to revenue	(1,815,000)	(2,553,000)
	-	-

Poverty alleviation programme.

Municipal Infrastructure Grant

Balance unspent at beginning of year	5,377,560	-
Current-year receipts	41,101,000	46,392,000
Conditions met - transferred to revenue	(46,478,560)	(41,014,440)
	-	**5,377,560**

This grant is used to construct roads infrastructure and related community projects.

Sports and Recreation Grant

Balance unspent at the beginning of year	57,961	57,961

Conditions still to be met - remain liabilities (see note 12).

To pay salaries and facility refurbishment.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

26. Government grants and subsidies (continued)

Finance Management Grant

Current-year receipts	1,800,000	1,850,000
Conditions met - transferred to revenue	(1,800,000)	(1,850,000)
	-	-

Capacity building for the Budget and Treasury Office.

Library Grant

Balance unspent at beginning of year	118	119
Current-year receipts	4,619,000	4,423,000
Conditions met - transferred to revenue	(4,619,000)	(4,423,001)
	118	**118**

Conditions still to be met - remain liabilities (see note 12).

To build a modular library.

EDTEA Grant

Balance unspent at beginning of year	150,000	-
Current-year receipts	-	990,000
Conditions met - transferred to revenue	-	(840,000)
Repayment of funds not fully spent	(150,000)	-
	-	**150,000**

Conditions still to be met - remain liabilities (see note 12).

Municipal Employment Initiative Grant from Economic Development, Tourism and Environmental Affairs. The support is towards cost of supply study framework for all licensed electricity distributors from EDTEA.

Municipal Disaster Relief Grant

Balance unspent at beginning of year	-	15,556,100
Current-year receipts	5,181,500	-
Conditions met - transferred to revenue	(670,097)	(15,556,100)
Repayment of grant	(500)	-
	4,510,903	**-**

The grant is for disaster relief.

27. Fines, penalties and forfeits

Library fines	303	388
Traffic fines	1,077,800	1,583,200
	1,078,103	**1,583,588**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

28. Donated assets income

Donated assets	1,707,087	14,200

Donated assets are in respect of computer equipment delivered to Mandeni Libraries by the KwaZulu-Natal Department of Arts and Culture. Furthermore, on the 1st of October 2024, the Mandeni municipality took over the firefighting service from the contracted Rural Metro Emergency Management. One (1) Fire Engine Truck, Two (2) Vehicles and a Trailer were handed over to Mandeni Municipality.

29. Employee-related costs

Basic	96,502,874	83,417,464
Bonus	8,019,488	6,600,548
Medical aid - company contributions	8,721,089	6,331,728
UIF	635,944	544,999
WCA	88,878	75,034
Leave pay accrual	3,326,783	3,462,284
Defined contribution plans	15,150,787	13,021,715
Overtime payments	4,129,076	3,360,594
Car allowance	4,855,033	4,738,583
Housing benefits and allowances	339,696	315,472
Standby allowances	2,096,510	908,253
Cellphone allowance	758,208	617,383
Long service awards	559,920	1,447,137
	145,184,286	**124,841,194**

Remuneration of Municipal Manager

Annual Remuneration	2,154,675	1,055,588
Car Allowance	188,307	188,307
Performance Bonuses	164,204	104,396
Contributions to UIF, Medical and Pension Funds	62,351	48,093
	2,569,537	**1,396,384**

Remuneration of Chief Finance Officer

Annual Remuneration	1,290,599	72,231
Car Allowance	144,000	12,000
Contributions to UIF, Medical and Pension Funds	48,530	3,843
	1,483,129	**88,074**

Remuneration of Director Corporate Services

Annual Remuneration	1,417,138	1,011,975
Performance Bonuses	91,397	97,885
Contributions to UIF, Medical and Pension Funds	72,118	54,445
	1,580,653	**1,164,305**

Remuneration of Director Community Services

Annual Remuneration	1,605,625	815,072
Car Allowance	180,000	180,000
Performance Bonuses	112,350	-
Contributions to UIF, Medical and Pension Funds	44,675	34,848
	1,942,650	**1,029,920**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

29. Employee-related costs (continued)

Remuneration of Director Technical Services

Annual Remuneration	1,609,537	825,811
Car Allowance	169,261	169,261
Performance Bonuses	101,115	-
Contributions to UIF, Medical and Pension Funds	287	451
	1,880,200	**995,523**

Remuneration of Director EDPHS

Annual Remuneration	1,669,548	816,856
Car Allowance	178,215	178,215
Performance Bonuses	101,115	79,629
Contributions to UIF, Medical and Pension Funds	41,729	23,308
	1,990,607	**1,098,008**

Remuneration of Former CFO

Performance Bonuses	-	97,885
	156,631,071	**130,711,296**

30. Remuneration of the councillors

Mayor	1,014,890	991,190
Deputy Mayor	820,553	801,593
Mayoral Committee Members	2,855,755	2,806,540
Speaker	820,553	801,593
Chief Whip	449,765	439,849
MPAC Chairperson	437,830	428,205
Councillors	7,357,633	7,219,440
Councillors allowances	1,393,606	1,466,859
	15,150,585	**14,955,269**

In-kind benefits

The Mayor

The Mayor has access to the office and secretarial support at the cost of Council and is provided with the following:

2 bodyguards.

1 driver.

2 Municipal vehicles purchased.

Tools of trade as Gazette 51407: Determination of upper limit on Office bearers.

The Speaker

The Speaker has access to the office and secretarial support at the cost of Council and is provided with the following:

1 driver.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

30. Remuneration of the councillors (continued)

1 vehicle purchased.

Tools of trade as Gazette 51407: Determination of upper limit on Office bearers.

The Deputy Mayor

The Deputy Mayor has access to the office at the cost of Council and is provided with the following:

1 driver and 1 vehicle purchased.

Tools of trade as Gazette 51407: Determination of Upper Limit of Office Bearers.

31. Bad debts written off

Indigent relief write off	10,695,563	4,388,493

32. Depreciation and amortisation

Property, plant and equipment	37,763,921	31,406,018
Intangible assets	82,441	82,894
	37,846,362	**31,488,912**

33. Inventory consumed

Consumables and materials	6,134,721	3,834,651

34. Bulk purchases

Electricity - Eskom	58,515,367	52,474,725

35. Transfer and subsidies

Other subsidies		
Sponsorship of events to support Tourism and SMME	2,450,000	1,700,000

36. Impairment loss

Impairments		
Property, plant and equipment	8,472,218	2,238,807

Impairment loss is due to Ward 10 Sportsfield that was halted before start of the construction due to land issues. Gravel Roads Upgrades in Ward 8 were also halted due to lack of funding by MIG. Furthermore it is due to Rehabilitation of Gravel Roads in various wards and Internal roads in Sundumbili i.e. isibuko Road which are impaired to zero and consequently de-recognised because of the deconstruction and rehabilitation. Masomonco Link Road disclosed as project taking longer to complete was also impaired for an amount of R3.6 Million.

37. Debt impairment

Contributions to debt impairment provision	24,402,858	6,047,836

38. Lease rentals on operating lease

Equipment		
Contractual amounts	2,261,365	2,272,751

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
39. Finance costs		
Trade and other payables	67	136,746
Retirement benefit obligation	3,399,300	2,997,870
	3,399,367	**3,134,616**
40. Contracted services		
Consultants and Professional Services		
Business and advisory	10,890,430	6,330,386
Legal cost	1,707,850	2,051,241
Audit committee fees	186,042	197,994
Contractors		
Fire services	1,084,385	4,138,916
Repairs and maintenance	26,033,039	22,290,148
Construction contracts - INEP	1,304,348	6,420,870
Construction contracts - Internally funded	291,492	2,159,173
Prepaid electricity vendors	3,383,986	3,399,272
Construction contracts - Massification grant	-	4,139,698
Graphic designers	360,179	275,299
Pest control	29,200	-
Outsourced Services		
Internal auditors	1,331,082	1,063,388
Transport services	1,707,200	2,035,600
Security services	16,353,341	15,746,749
Catering services	4,482,825	5,133,473
Animal care	462,984	440,938
Refuse removal	4,342,513	3,420,759
Cleaning services	618,304	340,669
Valuers	229,377	178,794
Stage and Sound Crew	1,135,290	1,706,595
Burial services	410,490	400,821
Grass cutting and street cleaning	4,901,213	2,788,251
	81,245,570	**84,659,034**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
41. Operational costs		
Advertising	1,747,666	1,607,740
Auditors remuneration	3,524,373	2,848,920
Bank charges	343,967	426,080
Consulting fees	3,028,211	3,764,786
Deed search costs	77,445	26,116
Electricity - internal	3,078,553	2,164,250
Gifts and promotions	168,650	-
Fuel and oil	9,117,423	9,238,297
Hire charges	1,878,890	1,679,734
System development and IT management expenses	6,142,977	2,746,777
Insurance	2,724,114	1,548,401
Skills Development Levy	1,372,155	1,145,112
Licences	7,302,741	5,559,960
Vehicle tracking expenses	165,950	249,549
Postage and courier	92,068	35,491
Printing and stationery	1,168,328	790,205
Free basic electricity	1,549,732	1,483,988
Roadworthy test	1,545,718	1,559,683
Subscriptions and membership fees	122,806	116,331
Subsistence and travelling	5,533,157	4,018,553
SALGA levies	1,579,782	1,416,794
Telephone	4,341,280	5,153,578
Training	2,954,826	2,556,879
Uniforms	3,291,070	2,486,314
Ward committees	2,669,700	2,568,600
Water	987,413	864,278
Workmens compensation	992,013	1,905,430
Youth programs	1,338,035	2,130,774
	68,839,043	**60,092,620**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

42. Loss on disposal/scrapping of assets

Assets at cost	(5,511,563)	(5,254,166)
Accumulated depreciation	3,719,444	3,403,972
Carrying amount	(1,792,119)	(1,850,194)
Proceeds from sale of assets	827,381	1,349,677
Loss on disposal/scrapping of assets	**(964,738)**	**(500,517)**

Proceeds from sale of assets breakdown:

Property, plant and equipment	827,381	1,192,678
Investment property	-	157,000
	827,381	**1,349,678**

The loss on disposal or scrapping of assets is in respect of the assets that were either broken beyond repairs, lost, scrapped, obsolete, donated and written-off by an insurer. The following are the circumstances that led to the loss on disposal or scrapping.

Transport Assets – Motor vehicles, Toyota Avanza NZ19487, Isuzu KB250 CC21KMZN, Toyota Corolla Quest BK32FLZN, Isuzu Tipper Truck NZ11901, Nissan Crane Truck BW62VPZN and Small Tipper FTR500 BW62VXZN has been repaired for a number of times and it is uneconomical to maintain.

Machinery and Equipment – Mobile Asphalt Plant NZ21901 procured in 2021 for burning of cold asphalt materials for the use in pothole patching. The machinery has since not been used because suitable materials cannot be sourced.

Computer Equipment – Computers from Ndulinde Library were donated to four local schools within Mandeni i.e Ndulinde Primary, Hlanganani Primary, Enembe Primary and St Cyprian Primary.

Furniture and office equipment – Majority of the furniture and office equipment are the surveillance cameras that were replaced by the current security service provider. Some of the furniture and office equipment i.e. air conditioners, kitchen equipment and chairs were stolen during burglary at Isithebe Library in April 2025.

Community Assets – Shade House for Nursery at Technical Services has since been demolished and no longer in use. Further to that the Woodchipping area erected in 2021 near the Nursery has also been demolished.Two Wendy houses for Lifeguards at Tugela and Mbizimbelwe Beaches were worn out and dismantled.

Intangible Assets – The scrapped computer software is in respect of Sage Evolution which has since been written-off during the 2024-25 Financial year.

43. Fair value adjustments

Investment property (Fair value model)	2,239,000	1,541,000

The property valuations have been carried out in terms of GRAP 16 by an Independent Professional Valuer i.e. Umhlaba Geomatics. Market value has been undertaken in accordance with standards laid down by the International Valuations Standards Council.

44. Auditors' remuneration

Fees	3,524,373	2,848,920

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

45. Cash generated from operations

Surplus	3,983,688	79,076,568
Adjustments for:		
Depreciation and amortisation	37,846,362	31,488,912
Loss on disposal/scrapping of assets	964,738	500,517
Fair value adjustments	(2,239,000)	(1,541,000)
Impairment loss	8,472,218	2,238,807
Debt impairment	24,402,858	6,047,836
Bad debts written off	10,695,563	4,388,493
Movements in retirement benefit assets and liabilities	1,874,520	4,307,819
Donated assets income (non-cash)	(1,707,087)	(14,200)
Changes in working capital:		
Inventories	1,095,283	17,707
Receivables from exchange transactions	(5,638,607)	(596,453)
Receivables from non-exchange transactions	(13,238,556)	(2,240,304)
Statutory receivables	(19,892,789)	(28,379,968)
Payables from exchange transactions	5,992,354	19,134,143
Unspent conditional grants and receipts	(3,736,585)	(16,760,518)
Consumer deposits	(6,158)	(31,268)
	48,868,802	**97,637,091**

46. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	41,858,727	34,205,330

Not yet contracted for and authorised by accounting officer

• Property, plant and equipment - Road infrastructure	-	19,999,833

Total commitments

Authorised capital expenditure	41,858,727	54,205,163

The commitments disclosed above are inclusive of VAT.

Finance leases - as lessee (expense)

Minimum lease payments due

- later than five years	-	-

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	2,773,816	2,333,950
- in second to fifth year inclusive	1,454,216	2,773,816
	4,228,032	**5,107,766**

Operating Leases is in respect of rental of Photocopier Machines from Konica Minolta and for the Lease of Park home office Units from Maluthuli Consultling.

There were no defaults or breaches and no terms or conditions were renegotiated during the reporting period.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

47. Contingencies

Contingent assets

Name of entity	Attorney	Rand value 2025	Rand value 2024	Reference
JD Biyela	Matthew Francis Inc.	30,000	30,000	47.1

49.1 A dismissed employee referred an unfair dismissal dispute to the South African Bargaining Council and lost the dispute with costs to the favour of the municipality. The award ruled that the dispute was frivolous and vexatious and therefore the applicant is held liable for costs. The matter remains pending at year-end.

Contingent liabilities

A contingent liability is a possible obligation, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event(s) not wholly within the control of the municipality or a present obligation that is not recognised because, the outflow of economic benefits or service potential is not probable or a real present obligation, that may not be recognised, either because the timing or because the measurement is not known.

The following were identified as contingent liabilities stemming from the interaction with municipal lawyers as they could result in possible claims against the municipality:

Name of entity	Attorney	Rand value 2025	Rand value 2024	Reference
Independent Ethiopian Church of SA	TKN Incorporated	180,000	180,000	47.2
The Rate Payers Association of Tugela Mouth	TKN Incorporated	124,818	124,818	47.3
Mazibuko/Transnet	TKN Incorporated	500,000	500,000	47.4
MA Mthembu	TKN Incorporated	6,148,212	6,148,212	47.5
B Mnyandu	Bhekisisa Goqo & Co	150,000	300,000	47.6
MS Mthembu	TKN Incorporated	500,000	500,000	47.7
S Mhlongo	TKN Incorporated	150,000	-	47.8
Nkonzo Zulu and Nkosinathi Zulu	TKN Incorporated	100,000	-	47.9
Tugela Asphalt	Bhekisisa Goqo & Co	30,000	-	47.10
K Thusi	Mhlanga Inc.	300,000	-	47.11
BN Ntuli	Mhlanga Inc.	450,000	-	47.12
SAMWU/SD Ndlovu	Phumulani Ngubane & Associates Inc.	350,000	-	47.13
FS Zulu & 25 Others	Phumulani Ngubane & Associates Inc.	350,000	-	47.14
		9,333,030	**7,753,030**	

47.2 Independent Ethiopian Church of SA//Application to eject and demolish church walls in order to build road as part of the Municipality's Township Regeneration Strategy. The matter was opposed on the grounds that a long servitude had not been registered on the part of the Municipality and the Church had Permission to Occupy from the owner of the land being the Ingonyama Trust Board. Matter was heard on 17 October 2024. Judgement was received on 6 November 2024 wherein the judgement stated that the applicant failed to show that Erf 1325 vests in it in terms of Section 4A(4)(a) of the Ongonyama Trust act and therefore is not entitled to an eviction order. The application was dismissed with costs. Leave to appeal was also not granted.

47.3 The Rate payers associateion demanding that the municipality implements bylaws and control the influx within the Tugela Beach. An interim Court Order was granted in 2019 but the matter is yet to be heard in detail in Court for arguments. The municipality erected some boom gates in line with the Court Order but were damaged and removed by the local community members. The municipality continues to enforce access to the beach but the Ratepayers are continuously complaining and demanding the law enforcement officials to always be present at the beach. The municipality has received a new application lodged by Tugela Mouth Ratepayers Association on the same matter and A notice of intention to defend the matter was served and also answering affidavit was filed and served, and the municipality is awaiting their replying affidavit.

Figures in Rand	2025	2024

47. Contingencies (continued)

47.4 Transnet // Mazibuko & Others//Application to have the Respondents interdicted and restrained from selling, alienating, allocating, granting or donating properties described as Erf 1299 Padianagar, Hlomendlini Mandeni. Further, those persons who occupy this property be vacated. Main Application heard on the 23rd November 2023. Application upheld. Order granted in Municipalities favour to vacate illegal occupiers and demolish. Further, 11th and 12th Respondents are interdicted from selling this land.

47.5 Plaintiff occupied a Manager position under Special projects and a disciplinary enquiry was convened where a guilty finding and sanctioned was imposed and subsequently dismissed him. Consultations were held. Notice to remove has been filed because the complaint was served and filed. Date of the 20th August 2024 for hearing on the opposed roll. Consultations were again held. Notice to remove cause of complaint served and filed on 06 July 2023. attending to setting matter down on the opposed roll. Notice of exception drafted, served and filed. Date of the 20 August 2024 for hearing on the opposed roll. Matter adjourned for filing of plea. Served and filed plea together with discovery notices.

47.6 H Mnyandu Case No: KZN/ESH/RC/63/2022 - The matter has once been on the court roll but could not proceed to trial due to unavailability of the presiding officer. The matter has been postponed sine die to allow for the parties to hold a conference to agree on issues to be decided. The Plaintiff's claims against the Municipality arises from a collapsed building. The Pleadings have closed and the matter is Trial ready. The Plaintiff's claim is unlikely to succeed.

47.7 MS Mthembu//Applicants allege to be unlawfully withdrawn as the PR Councilors at the Municipality on the instruction or directive of the EFF. Served and filed Notice to abide.

47.8 S Mhlongo//Application that sought the respondent to be interdicted and restrained from conducting and or running the services of a carwash or any other services ancillary thereto, or causing any other person to conduct such services, entering and constructing any structures on or in any way dealing with the immovable property described as Erf 1092 Sundumbili B. Founding papers served to Respondent. Awaiting Answering affidavit.

47.9 An application for an order for the first and second respondents to be interdicted and restrained from entering, excavating, clearing, marking and constructing any structures on or in any way dealing with the immovable property described as Erf1325 Sundumbili A, Mandeni situated along Intuthuko and Thokoza Roads, Mandeni. A Rule is issued with a return date of the 11th August 2025 for respondents to show cause why an order interdicting, evicting and restraining them from unlawfully occupying the immovable property described as ERF 1325 Sundumbili A, Mandeni.

47.10 Tugela Asphalt (Pty) Ltd - The Municipality requires an interdict against Tugela Asphalt. The sheriff has attempted service on address given but found that the premises is not occupied by the Tugela Asphalt company. Mandeni Municipality provided with a memo and we await further instructions. The change in financial exposure from the previous year is due to projected Attorneys fees and disbursments which relate to this matter.

47.11 K.Thusi : SALGBC - The employee referred the matter to the Bargaining Council for unfair labour practice: unilateral change to condition of employment.

47.12 BN.Ntuli : SALGBC - The employee referred the matter to the Bargaining Council for unfair labour practice: unfair dismissal.

47.13 SAMWU/SD Ndlovu// The matter was set down at Arbitration for hearing at the beginning of the year. The raised a point in limine, in that the referral was made out of the prescribed time. Arbitrator ruled in favour of the Municipality. Applicant proceeded to launch a condonation application after the ruling. An answering affidavit was prepared and served to the applicant. No reply has been received. The matter has not been set down for hearing as yet. The matter is yet to be set down for hearing on condonation application by the applicant.

Figures in Rand	2025	2024

47. Contingencies (continued)

47.14 FS Zulu & 25 OTHERS //The matter was once again referred to the CCMA by the parties after a ruling against them at the Bargaining Council went against the applicants in favour of the Municipality. At the CCMA the Municipality, raised a point in limine, and the Commissioner ruled against the Municipality. The matter will be possible be allocated another date for hearing on whether the applicants were employees of the Municipality or not. We await notice of set down from the CCMA.The Matter is yet to be set down again for hearing on issue of whether the applicants were employees of the Municipality. The legal position of the Municipality is strong as there is decided cases which have held that EPWP employees are not employees as per the definition of the Act.

48. Related parties

Nature of related party relationships

Relationships	
Accounting Officer	SG Khuzwayo
Councillors	Refer to General Information Page
Members of key management	SG Khuzwayo - Municipal Manager NZ Guzana - Chief Financial Officer VP Zulu - Director: Corporate Services RS Dlamini - Director: Technical Services B Sithole - Director: Public Safety and Community Services WD Mbongwa - Director: Economic Development

48. Related parties (continued)

Remuneration of management

Councillors/Mayoral committee members

2025

Name	Basic salary	Housing allowance	Motor vehicle allowance	Cellphone allowance	Total
Mayor	971,690	-	-	43,200	1,014,890
Deputy Mayor	777,353	-	-	43,200	820,553
Mayoral Committee Members	2,395,838	78,017	169,500	212,400	2,855,755
Speaker	777,353	-	-	43,200	820,553
Chief Whip	404,565	-	2,000	43,200	449,765
MPAC Chairperson	394,630	-	-	43,200	437,830
Councillors	7,357,633	48,468	280,239	1,064,899	8,751,239
	13,079,062	**126,485**	**451,739**	**1,493,299**	**15,150,585**

2024

Name	Basic salary	Housing allowance	Motor vehicle allowance	Cellphone allowance	Total
Mayor	948,590	-	-	42,600	991,190
Deputy Mayor	758,993	-	-	42,600	801,593
Mayoral Committee Members	2,300,925	109,506	183,108	213,000	2,806,539
Speaker	758,993	-	-	42,600	801,593
Chief Whip	397,249	-	-	42,600	439,849
MPAC Chairperson	385,605	-	-	42,600	428,205
Councillors	7,219,441	57,070	344,789	1,065,000	8,686,300
	12,769,796	**166,576**	**527,897**	**1,491,000**	**14,955,269**

Notes to the Annual Financial Statements

Figures in Rand

48. Related parties (continued)

Executive management

2025

Name	Annual remuneration	Car allowance	Performance bonuses	Contributions to UIF/Medical/ Pension	Total
Municipal Manager	2,154,675	188,307	164,206	62,351	2,569,539
Chief Financial Officer	1,290,599	144,000	-	48,530	1,483,129
Director: Corporate Services	1,417,138	-	91,397	72,118	1,580,653
Director: Community Services	1,605,625	180,000	112,350	44,675	1,942,650
Director: Technical Services	1,609,537	169,261	101,115	287	1,880,200
Director: EDPHS	1,669,548	178,215	101,115	41,729	1,990,607
	9,747,122	**859,783**	**570,183**	**269,690**	**11,446,778**

2024

Name	Annual remuneration	Car allowance	Performance bonuses	Contributions to UIF/Medical/ Pension	Total
Municipal Manager	1,055,588	188,307	104,396	48,903	1,397,194
Chief Financial Officer	72,231	12,000	-	3,843	88,074
Director: Corporate Services	1,011,975	-	97,885	54,445	1,164,305
Director: Community Services	815,072	180,000	-	34,848	1,029,920
Director: Technical Services	825,811	169,261	451	-	995,523
Director: EDPHS	816,856	178,215	79,629	23,308	1,098,008
Former CFO	-	-	97,885	-	97,885
	4,597,533	**727,783**	**380,246**	**165,347**	**5,870,909**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

49. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

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.

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 undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	42,184,789	-	-	-
Consumer deposits	179,038	-	-	-

At 30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions*	41,569,989	-	-	-
Consumer deposits	185,196	-	-	-

*The amounts have been been restated in line with GRAP. Refer to prior period error note.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate owing to changes in market interest rates. The municipality's level of borrowing and consequently the debt servicing costs are closely monitored and controlled by the EXCO having regard to the prevailing and projected interest rates and the municipality's capacity to service such debt from future earnings and allocations however the long-term loan's interest rate is fixed throughout the term of repayment. Balances exposed to the interest rate risk. The municipality's policy is to further manage interest rate risks so that fluctuations in interest rates do not have a material impact on the net surplus/ deficit.

Short-term investments	115,593,832	199,451,615
Cash and cash equivalents	16,305,125	9,356,268
	131,898,957	**208,807,883**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

49. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high-quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Trade and other receivables from exchange transactions*	15,092,596	15,676,177
Receivables from non-exchange transactions*	3,080,502	2,294,785
	18,173,098	**17,970,962**

*The amounts have been been restated in line with GRAP. Refer to prior period error note.

50. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	660,494
Fruitless and wasteful expenditure current year	67	136,741
Written off by Council - prior year	(67)	(660,494)
Written off by Council - current year	-	(136,741)
Fruitless and wasteful expenditure at year-end	**-**	**-**

Fruitless and wasteful expenditure incurred by the municipality relates to interest charged by suppliers on late payments.

The amount that was written-off by Council relates to the interest charged by suppliers on late payments.

51. Irregular expenditure

Opening balance as previously reported	4,890,750	1,334,645
Prior period adjustment	-	-
Opening balance as restated	**4,890,750**	**1,334,645**
Add: Irregular Expenditure - current	5,798,181	6,259,527
Less: Amount written off - current	(3,470,613)	(2,057,320)
Less: Amount written off - prior period	(4,890,750)	(646,102)
Closing balance	**2,327,568**	**4,890,750**

Irregular expenditure incurred relates to funds paid by the municipality to support Tourism Development within Mandeni. Selection Process did not follow guidance as outlined in Section 67 and Circular No 131 of the MFMA: Funds Transferred by Municipalities to Organisations and Bodies Outside the Government.

All investigations were undertaken by the MPAC and disciplinary board prior to write off.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

52. Unauthorised expenditure

Opening balance as previously reported	8,672,326	6,242,581
Add: Expenditure identified - current	31,310,406	8,672,326
Less: Amount approved by Council	(25,488,819)	(6,242,581)
Closing balance	**14,493,913**	**8,672,326**

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	13,271,650	-
Cash	12,192,279	8,672,326
	25,463,929	**8,672,326**

Analysed as follows: non-cash

Loss on disposal of property, plant and equipment	364,738	-
Impairment Loss	8,472,218	-
Irrecoverable Debts Written Off	4,434,694	-
	13,271,650	**-**

Analysed as follows: cash

Bulk purchases	649,768	610,879
Inventory consumed	500,499	376,621
Operational costs	4,404,208	5,458,880
Employee related costs	4,088,437	-
Finance charges	99,367	-
Contracted services	-	1,474,934
Lease rentals	-	751,012
Transfers and subsidies	2,450,000	-
	12,192,279	**8,672,326**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

52. Unauthorised expenditure

Opening balance as previously reported	8,672,326	6,242,581
Add: Expenditure identified - current	31,310,406	8,672,326
Less: Amount approved by Council	(25,488,819)	(6,242,581)
Closing balance	**14,493,913**	**8,672,326**

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	13,271,650	-
Cash	12,192,279	8,672,326
	25,463,929	**8,672,326**

Analysed as follows: non-cash

Loss on disposal of property, plant and equipment	364,738	-
Impairment Loss	8,472,218	-
Irrecoverable Debts Written Off	4,434,694	-
	13,271,650	**-**

Analysed as follows: cash

Bulk purchases	649,768	610,879
Inventory consumed	500,499	376,621
Operational costs	4,404,208	5,458,880
Employee related costs	4,088,437	-
Finance charges	99,367	-
Contracted services	-	1,474,934
Lease rentals	-	751,012
Transfers and subsidies	2,450,000	-
	12,192,279	**8,672,326**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

52. Unauthorised expenditure (continued)

Unauthorised expenditure: Budget overspending – per vote

Community and social services	11,278,370	-
Energy sources	2,687,911	-
Finance and administration	15,902,493	8,672,326
Road transport	1,441,632	-
	31,310,406	**8,672,326**

(i) Employee related costs have exceeded budget by R1,5 million which is due to GRAP 25 Calculation by Actuaries for post-employment medical supply and standby allowance paid to qualifying employees which was understated in the budget.

(ii) Irrecoverable debt has exceeded the budget by R4.4 million. This is due to the fact that in the prior year, a significant number of prospective applicants were deemed non-compliant owing to incomplete or missing supporting documentation. These deficiencies were formally communicated to the respective applicants, who subsequently regularised their submissions post the stipulated closing date. As a result, such applications were not recognised within the prior reporting cycle. During the current reporting period, the resubmitted and now compliant applications were reclassified from pending to eligible, thereby resulting in their formal recognition and approval within the year under review, hence a higher irrecoverable debt written off.

(iii) Depreciation and amortisation have exceeded budget by R4.8 million. This variance is due to an increase in the number of capital projects commissioned during the financial year.

(iv) Loss on disposal/scrapping of assets has exceeded budget by R364 thousand, which is due to lesser proceeds realised during the last auction.

(v) Inventory consumed has exceeded budget by R500 thousand. This variance is due to procurement of materials needed to repair and maintain roads.

(vi) Operational cost has exceeded budget by R4.5 million which is due to the following items:

- Fuel and oil have exceeded allocated budget by R1.9 million, this is due to level of demand for fuel which has increased significantly due to additional fleet procured by the municipality to meet service delivery needs of the community. Another contributing factor for this performance is the increased fuel cost as it becomes clear that budget allocated for this item appeared to be understated.

- System Development have exceeded budget by R2,6 million which is due to the implementation of projects that were not part of the initial scope for this financial year. These included the urgent requirement to install network infrastructure and all necessary IT services at the newly established Fire Station and Driving License Testing Centre (DLTC). The municipality had to prioritise these setups to ensure operational readiness and service delivery for these municipal facilities.

(vii) Bulk Electricity has exceeded budget by R649 thousand which is due to level of demand for electricity by Umngeni water. Based on their demand the municipality is unable to make an accurate budget estimation for this item.

(viii) Finance Charges have exceeded budget by R99 thousand which is due to GRAP 25 Calculation from Actuaries on Interest expense for Post-employment medical supply.

Unauthorised expenditure incurred in the 2024 financial year of R8,672,326 relates to bulk purchases of R610,879, contracted services of R1,474,934, lease rentals on operating leases of R751,012, inventory consumed of R376,621 and operational costs of R5,458,880.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

53. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	1,579,782	1,416,794
Amount paid - current year	(1,579,782)	(1,416,794)
Balance unpaid (included in payables)	-	-

Material losses through electricity distribution

Current year subscription / fee	430,758	1,043,822

Audit fees

Opening balance	-	-
Current year subscription / fee	3,524,373	2,848,920
Amount paid - current year	(3,524,373)	(2,848,920)
Balance unpaid (included in payables)	-	-

PAYE and UIF

Opening balance	-	-
Current year subscription / fee	26,868,530	21,875,834
Amount paid - current year	(26,868,530)	(21,875,834)
Balance unpaid (included in payables)	-	-

Pension and Medical Aid Deductions

Opening balance	-	-
Current year subscription / fee	23,207,500	19,513,860
Amount paid - current year	(23,207,500)	(19,513,860)
Balance unpaid (included in payables)	-	-

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

53. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding at 30 June 2025:

30 June 2025	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr NR Dludla	715	10,068	10,783
Cllr LS Zungu	1,660	90,594	92,254
Cllr MB Ngidi	960	47,947	48,907
Cllr BA Khumalo	2,576	27,690	30,266
Cllr BA Mchunu	1,898	25,486	27,384
Cllr LS Mthembu	216	-	216
Cllr SP Naicker	1	-	1
Cllr MT Ncanana	654	3,694	4,348
Cllr S Mdunge	216	-	216
Cllr Z Mdletshe	577	-	577
	9,473	**205,479**	**214,952**

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr NR Dludla	677	13,184	13,861
Cllr NS Ncube	841	12,974	13,815
Cllr LS Zungu	1,424	83,558	84,982
Cllr NO Dladla	206	-	206
Cllr MB Ngidi	855	51,235	52,090
Cllr BA Khumalo	2,378	17,651	20,029
Cllr BA Mchunu	1,803	38,724	40,527
Cllr LS Mthembu	206	-	206
Cllr SP Naicker	2,179	9,596	11,775
Cllr MT Ncanana	628	3,052	3,680
Cllr MS Mdunge	2,710	654	3,364
Cllr S Mdunge	954	-	954
Cllr Z Mdletshe	245	-	245
	15,106	**230,628**	**245,734**

54. Deviation from supply chain management regulations

Categories of SCM Regulations	SCM Reg reference	Number of cases	% of Total cases	Value (R)	% of Rand Value
In an emergency	36(1)(a)(i)	2	4 %	179,521	5 %
Services are available from a single provider	36(1)(a)(ii)	21	38 %	1,840,616	49 %
In any other exceptional case where it is impractical or impossible to follow the official procurement processes	36(1)(a)(v)	32	58 %	1,719,600	46 %
		55	**100 %**	**3,739,737**	**100 %**

Notes to the Annual Financial Statements

55. Budget differences

Material differences between budget and actual amounts

The material differences between the approved budget and actual result are the consequence of activities during the financial period. The changes between the approved and final budget are due to changes in the overall budget parameters.

Variances of more than 10% are considered material. The materiality of these variances are based on the average inflation rate and average changes to the budget over the years. These variances are explained below:

	Final Budget	Actual	Variance	% Variance	References
Revenue from exchange transactions					
Service charges	86,447,551	77,826,134	(8,621,417)	(10)%	
Sale of goods and rendering of services	2,755,175	1,304,348	(1,450,827)	(53)%	55.1
Rental of facilities and equipment	723,913	593,198	(130,715)	(18)%	55.2
Interest earned from receivables	1,499,795	1,487,187	(12,608)	(1)%	
Retention forfeits	-	2,491,023	2,491,023	- %	55.3
Licences and permits	956,522	969,092	12,570	1 %	
Operational revenue	1,750,000	2,332,423	582,423	33 %	55.4
Interest received - investment	28,000,000	19,863,247	(8,136,753)	(29)%	55.5
Fair value adjustments	-	2,239,000	2,239,000	- %	55.6
Remeasurements of employee benefit obligations	-	2,619,115	2,619,115	- %	55.7
Revenue from non-exchange transactions					
Property rates	62,236,581	63,942,090	1,705,509	3 %	
Interest income - Property rates	3,307,737	3,569,811	262,074	8 %	
Transfers recognised - operational	253,162,620	251,822,000	(1,340,620)	(1)%	
Fines, penalties and forfeits	1,310,490	1,078,103	(232,387)	(18)%	55.8
Donated assets income	-	1,707,087	1,707,087	- %	55.9
Transfers recognised - capital	47,421,439	47,148,658	(272,781)	(1)%	
	489,571,823	**480,992,516**	**(8,579,307)**		
Employee related costs	(152,542,634)	(156,631,071)	(4,088,437)	3 %	
Remuneration of councillors	(16,387,620)	(15,150,585)	1,237,035	(8)%	
Depreciation and amortisation	(37,856,010)	(37,846,362)	9,648	- %	55.10
Finance charges	(3,300,000)	(3,399,367)	(99,367)	3 %	
Inventory consumed	(5,634,222)	(6,134,721)	(500,499)	9 %	
Bulk purchases	(57,865,599)	(58,515,367)	(649,768)	1 %	
Irrecoverable debt written off	(6,260,869)	(10,695,563)	(4,434,694)	71 %	55.11
Lease rentals on operating lease	(2,300,000)	(2,261,365)	38,635	(2)%	
Debt impairment	(30,260,870)	(24,402,858)	5,858,012	(19)%	55.12
Contracted services	(84,257,355)	(81,245,570)	3,011,785	(4)%	
Loss on disposal/scrapping of assets	(600,000)	(964,738)	(364,738)	61 %	55.13
Impairment losses	-	(8,472,218)	(8,472,218)	- %	55.14
Transfers and subsidies	-	(2,450,000)	(2,450,000)	- %	55.15
Operational costs	(64,434,835)	(68,839,043)	(4,404,208)	7 %	
	27,871,809	**3,983,688**	**(23,888,121)**		
Capital spending					
Capital expenditure	(135,814,393)	(126,072,931)	4,404,208	7 %	

55.1 The budgeted sales of goods and services is more than the budgeted amount. The variance is due to level of demand on the following items, Sale of Tender documents, Provision of Escort and Fire Service and Building Plan and Town planning fees.

55.2 The actual rental of facilities income is less than the budgeted amount. The variance is due to the level of demand in the usage of municipal facilities. Budget projection was based on previous year performance.

Notes to the Annual Financial Statements

55. Budget differences (continued)

55.3 There were no retention forfeits that were budgeted for in the current year.

55.4 The budgeted operational revenue is more than actual amounts. This variance is due to budget that was allocated for sale of property, however the municipality did not have any sale of land in the current financial year.

55.5 The budgeted interest income is more than the actual amount. This is due to lower interest rates and lower investment balances in comparison to the previous financial year. More cash was applied to operational costs incurred by the municipality in comparison to the previous financial years.

55.6 These are fair value adjustments and were not budgeted for.

55.7 These are actuarial valuations movements and budgeted under employee costs.

55.8 The actual fines and forfeits were less than budget. This is due to more fines being budgeted for than anticipated.

55.9 The actual donated assets income is more than budgeted. This is because these were not budgeted for.

55.10 Depreciation and amortisation have exceeded budget by R4.8 million. This variance is due to an increase in the number of capital projects that were commissioned during the financial year, resulting in additional depreciation costs incurred by the municipality.

55.11 Irrecoverable debt has exceeded the budget by R4.4 million. This is due to the fact that in the prior year, a significant number of prospective applicants were deemed non-compliant owing to incomplete or missing supporting documentation. These deficiencies were formally communicated to the respective applicants, who subsequently regularised their submissions post the stipulated closing date. As a result, such applications were not recognised within the prior reporting cycle. During the current reporting period, the resubmitted and now compliant applications were reclassified from pending to eligible, thereby resulting in their formal recognition and approval within the year under review, hence a higher irrecoverable debt written off.

55.12 The actual debt impairment is less than budgeted. This is due to less debt being impaired in the current year.

55.13 Loss on disposal/scrapping of assets has exceeded budget by R364 thousand. This variance is due to lesser proceeds realised during the last auction of the municipality's assets.

55.14 The actual impairment losses are more than budgeted, as these were not budgeted for..

55.15 The actual transfers and subsidies were not budgeted for, hence a negative variance.

Reasons for changes in approved budget

The reason for change in originial budget to adjustment budget is due to assessment of mid-year budget performance as per MFMA Section 72 which recommend for adjustment budget.

The second adjustment budget was due to the municipality receiving allocation for Disaster Grant.

Notes to the Annual Financial Statements

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58. Accounting by principals and agents

The municipality is a party to principal-agent arrangements.

Details of the arrangements

Housing Title Deed grant - Title Deeds

- There is a binding agreement with The Provincial Department of Human Settlements Kwa-Zulu Natal for the title deeds restoration programme;
- Transactions are for the benefit of another entity i.e. benefits are for The Provincial Department of Human Settlements in that the title deed activities undertaken are on behalf of the Department.
- The municipality does not have the power to determine the significant terms and conditions of the transactions.
- The municipality has limited inventory risk and therefore not exposed to the variability in the results of transactions.

Ilembe District Municipality - Bulk water and sanitation to service Inyoni Housing Development

- There is a binding agreement between with Provincial Department of Human Settlements and Ilembe District Municipality for the Bulk water and sanitation to service Inyoni Housing Development.
- Transactions are for the benefit of another entity i.e. benefits are for The Provincial Department of Human Settlements and Ilembe District Municipality in the development of residential township, Inyoni Integrated Human Settlement, situated on Remainder of Lot 30 Inyoni.
- The municipality does not have the power to determine the significant terms and conditions of the transactions.
- The municipality has limited inventory risk and therefore not exposed to the variability in the results of transactions.

Entity as agent

Grants received

The municipality does not recognise any revenue in respect of these arrangements. However, grants are provided to the municipality for the execution of the projects.

Housing Title Deed grant		
Balance unspent at beginning of year	3,442,801	4,789,797
Conditions met	(2,719,929)	(1,346,996)
Unspent grant at year end	**722,872**	**3,442,801**
DWS (Ilembe District)		
Current-year receipts	1,284,411	-
Conditions met	(1,284,411)	-
Unspent grant at year end	**-**	**-**

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56. MFMA disclosure on SCM Regulation 45

Supplier name	Employee name	Employee capacity	2025	2024
Sodube Sotobe	NT Sibiya	Public Participation and OSS Officer	203,000	81,300
Fana Manufacturing	N Reddy	Prosecutor - Verulam Magistrate Court	1,123,479	776,687
Mecom Trading Enterprise	M Msweli	Accountant - Receipting and Deposit	66,197	565,323
Conlog Pty Ltd	N Moodley	Director - KZN Department of Health	4,185,605	4,033,533
Adapt IT Pty Ltd	D Mbambo	Operation Maintenance Manager- SANRAL	118,416	-
Taurus Hydraulics and Eng Pty Ltd	T Ramlall	PMS Clerk	1,038,282	1,024,338
Tasveer Trading	S Jwalapursad	Registry Clerk	1,722,200	1,817,100
Olungawelwa (Pty) Ltd	IS Shandu	Risk management intern	196,495	67,593
BSK Occupational Health	BS Khoza	Medical Officer Grade 1	26,040	50,540
Ixperience Tours	M Nzuza	Projects Coordinator	1,176,793	-
Urbanru Pty Ltd	J Sewdular	Director - IPMS	1,364,210	-
Amananda Trading Pty Ltd	SF Mwandla	Emergency Care Officer Grade 2	2,648,000	-
Velela Trading and Projects	SP Shongwe	Gender Based Violence Activist	56,500	-
Mobile Telephone Networks	S Zinn	Board of Director	223,126	-
			14,148,343	**8,416,414**

In the previous financial year, the MFMA disclosure on SCM Regulation 54 was understated by R1,935,233. Refer to note 59 for prior period error.

57. Events after the reporting date

The Accounting Officer is not aware of any significant events after the reporting date.

Notes to the Annual Financial Statements

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59. Prior period errors

Payables from exchange transactions and remuneration of councillors

During the current financial year, it was identified that the backpay related to councilors' remuneration for the period July 2023 to June 2024, which was approved and paid in November 2024, was not recognised as expenditure in the 2023/24 financial year. In accordance with the accrual basis of accounting and GRAP 3, an adjustment for prior period expenditure has been recognised to reflect the remuneration obligation that existed at year-end 30 June 2024. This adjustment corrects the omission of these amount from the 2023/24 financial statements, ensuring that expenses are recorded in the period to which they occur. The impact of this prior period expenditure on the statement of financial performance and accumulated surplus/deficit has been disclosed separately in the notes to the financial statements.

This disclosure aligns with GRAP 3 requirements to correct prior period errors by retrospective restatement or disclosure and ensures users of financial statements understand the nature and impact of the correction.

Opening accumulated surplus and VAT output

In the previous years when the municpality was implementing MSCOA, the muncipality did not bring in the full VAT accrual portion. The municipality has recently identified that the output VAT accrual portion of refuse collection was not recognised as an opening balance. This resulted in the VAT accrual being understated and opening accumulated surplus being overstated with the same amount. The error was corrected retrospectively.

The errors were corrected retrospectively and the impact thereof are as follows:

Statement of financial position	
Increase in payables from exchange transactions	(391,461)
Decrease in opening accumulated surplus	3,840,736
Increase in VAT output (accrual)	(3,840,736)
Statement of financial performance	
Increase in remuneration of councillors	(391,461)

Comparative figures

Contracted services

In the previous financial year, the municipality has reclassified certain items of contracted services in order to enhance fair presentation of the financial statements.

Remuneration of Councillors

In the previous financial year, the remuneration for councillors was split in detail to disclose MPAC Chairperson and Chief Whip remuneration separately.

Employee related costs

In the previous financial year, the housing benefits and allowances were aggregately disclosed in the financial statements. In the current year, the municipality has separately disclosed these benefits in order to enhance the presentation of employee related costs.

Receivables from exchange transactions and receivables from non-exchange transactions

In the previous financial year, other receivables were disclosed as receivables from non-exchange transactions. In the current financial year, these receivables have been disclosed as part of receivables from exchange transactions. This is to enhance the fair presentation of financial statements.

The reclassifications, which are presented retrospectively, resulted in adjustments as follows:

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59. Prior period errors (continued)

Reclassifications in contracted services	
Decrease in business and advisory	(1,700,000)
Increase in tourism development	1,700,000
Decrease in repairs and maintenance	(2,788,251)
Increase in grass cutting and street cleaning	2,788,251
Reclassifications in employee related costs	
Decrease in housing benefits and allowances	(908,253)
Increase in standby allowance	908,253
Reclassifications in remuneration of councillors	
Increase in MPAC Chairperson	428,205
Increase in Chief Whip	439,849
Decrease in councillors	(868,054)
Reclassifications in receivables from exchange transactions and receivables from non-exchange transactions	
Increase in receivables from exchange transactions	798,683
Decrease in receivables from non-exchange transactions	(798,683)

Disclosures

MFMA disclosures on SCM Regulation 45

In the 2024 financial year, MFMA disclosures on SCM Regulation 45 were understated by R1,935,233. This was due to an error in determining these amounts. The error was corrected retrospectively.

Risk management

In line with GRAP 104, certain items of risk management were disclosed incorrectly in the 2024 financial year. The restatements were as follows:

(a) The Payables from exchange transactions were correctly disclosed as R41,569,989 instead of R59,386,993.

(b) The Unspent conditional grants were correctly disclosed as R9,028,438 instead of Rnil.

(c) Receivables from exchange transactions were correctly disclosed as R15,676,177 instead of R14,877,494.

(d) Receivables from non-exchange transactions were correctly disclosed as R2,294,785 instead of R3,093,468 due to the reclassification of other receivables.

60. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus of R 938,627,952 and that the municipality's total liabilities exceed its assets by R 940,857,883.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Notes to the Annual Financial Statements

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61. Change in estimate

Property, plant and equipment

In the beginning of the financial year, the municipality reviewed remaining useful lives of certain items of Property Plant and Equipment. The remaining useful lives were re-assessed based at the beginning of the financial year based on the expected useful lives of those assets. The useful lives of property plant and equipment were initially estimated between 3 and 15 years. For property plant and equipment the remaining useful lives were estimated to be between 5 and 20 years. This is considered a change in accounting estimates and the effect is treated respectively;

	Old estimate	New estimate	Increase / (Decrease) in Depreciation
Depreciation : Current year	923,601	448,695	(474,906)
Depreciation : Future years	1,691,109	2,166,015	474,906
	2,614,710	**2,614,710**	**-**

Residual values

In the beginning of the financial year, the municipality reviewed residual values of certain items of Property Plant and Equipment. The residual values were re-assessed based on the expected proceeds to be realised at the disposal date of those assets. The residual values of property plant and equipment were initially estimated at 20%. For Community Assets, Buildings and Computer Equipment the residual values were changed to 0% and 5% . This is considered a change in accounting estimates and the effect is treated prospectively.

	Old estimate	New estimate	Increase / (Decrease) in Amortisation
Depreciation : Current year	1,397,783	2,007,474	609,691
Depreciation : Future years	21,309,728	29,341,431	8,031,703
	22,707,511	**31,348,905**	**8,641,394**

Notes to the Annual Financial Statements

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62. Segment information

General information

Identification of segments

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Types of goods and/or services by segment

The Municipality has several departments/functional areas and accordingly, the segments were aggregated for reporting purposes as set out below:

Reportable segment	Goods and/or services
Executive & Council	Provision of overall governance to other segments of the municipality
Finance & Administration	Provision of financial and administrative services to other segments of the municipality
Planning & Development	Provision of economic development activities in the municipality
Roads & Infrastructure	Construction and maintenance of roads and infrastructure owned by the municipality
Community & Social Services	Construction and maintenance of halls and cemeteries owned by the municipality
Energy Sources	Provision of energy and electrical services to the community
Waste management	Provision of waste management services to the community
Public Safety	Provision of pound services and public safety to the community

Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment are not used by management for decision-making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the municipality as a whole. Accordingly, the assets and liabilities per segment are not required to be disclosed.

Information about geographical areas

Although the municipality operates in a number of geographical areas (i.e.wards), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the municipality has assessed that it operates in a single geographical area.

Measurement of specific segment information

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The municipality had no changes to the structure of its internal organisation in a manner that caused the composition of its reportable segments to change from the prior year.

62. Segment information (continued)

Segment surplus or deficit

2025

	Executive & Council	Finance & Administration	Planning & Development	Roads & Infrastructure	Community & Social Services	Energy Sources	Waste Management	Public Safety	Total
Revenue									
Service charges	-	-	-	-	-	64,753,473	13,072,661	-	77,826,134
Sale of goods and services	-	326,415	147,451	-	206,280	1,304,348	-	429,036	2,413,530
Rental of facilities and equipment	-	-	-	-	593,198	-	-	-	593,198
Interest income - service charges	-	-	-	-	-	78,257	1,408,930	-	1,487,187
Licences and permits	-	-	145,422	-	-	-	-	823,670	969,092
Other operational revenue	-	682,321	-	427,700	-	113,220	-	-	1,223,241
Interest received	-	19,863,247	-	-	-	-	-	-	19,863,247
Other non-operating gains									
Fair value adjustments	-	4,858,115	-	-	-	-	-	-	4,858,115
Revenue from non-exchange transactions									
Property rates	-	63,942,090	-	-	-	-	-	-	63,942,090
Government grants and subsidies	8,038,000	237,350,000	-	47,148,658	6,434,000	-	-	-	298,970,658
Donations received	-	-	-	-	222,087	-	-	1,485,000	1,707,087
Fines	-	2,491,023	-	-	303	-	-	1,077,800	3,569,126
Interest income - property rates	-	3,569,811	-	-	-	-	-	-	3,569,811
Municipality's revenue	**8,038,000**	**333,083,022**	**292,873**	**47,576,358**	**7,455,868**	**66,249,298**	**14,481,591**	**3,815,506**	**480,992,516**

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	Executive & Council	Finance & Administration	Planning & Development	Roads & Infrastructure	Community & Social Services	Energy Sources	Waste Management	Public Safety	Total
62. Segment information (continued)									
Expenditure									
Employee costs	(17,005,728)	(45,048,767)	(20,704,305)	(25,018,083)	(39,224,652)	(4,092,852)	(5,536,682)	-	(156,631,069)
Remuneration of councillors	(15,150,585)	-	-	-	-	-	-	-	(15,150,585)
Depreciation and amortisation	-	(11,691,489)	-	(20,685,443)	(4,360,554)	(1,108,876)	-	-	(37,846,362)
Impairment losses	-	(8,472,218)	-	-	-	-	-	-	(8,472,218)
Finance costs	-	(3,399,367)	-	-	-	-	-	-	(3,399,367)
Lease rentals	-	(2,261,365)	-	-	-	-	-	-	(2,261,365)
Irrecoverable debt written off	-	(8,521,650)	-	-	-	-	(2,173,913)	-	(10,695,563)
Debt impairment	-	(24,402,858)	-	-	-	-	-	-	(24,402,858)
Contracted services	(13,928,935)	(35,035,350)	(2,196,214)	(11,734,911)	(9,156,136)	(4,213,559)	(4,580,573)	(399,890)	(81,245,568)
Inventory consumed	(1,576,515)	(209,361)	(2,001,675)	(969,261)	(1,257,443)	(36,496)	(83,972)	-	(6,134,723)
Operational costs	(19,089,054)	(41,041,160)	(980,736)	(489,717)	(1,446,476)	(4,675,879)	(53,715)	(1,062,308)	(68,839,045)
Bulk purchases	-	-	-	-	-	(58,515,367)	-	-	(58,515,367)
Loss on disposal of assets	-	(964,738)	-	-	-	-	-	-	(964,738)
Transfers and subsidies	-	-	(2,450,000)	-	-	-	-	-	(2,450,000)
Total segment expenditure	**(66,750,817)**	**(181,048,323)**	**(28,332,930)**	**(58,897,415)**	**(55,445,261)**	**(72,643,029)**	**(12,428,855)**	**(1,462,198)**	**(477,008,828)**
Total segmental surplus/(deficit)	**(58,712,817)**	**152,034,699**	**(28,040,057)**	**(11,321,057)**	**(47,989,393)**	**(6,393,731)**	**2,052,736**	**2,353,308**	**3,983,688**

	Executive & Council	Finance & Administration	Planning & Development	Roads & Infrastructure	Community & Social Services	Energy Sources	Waste Management	Public Safety	Total
Other information									
Capital expenditure	(12,469,737)	(14,867,229)	(7,736,871)	(75,699,574)	(11,295,948)	(1,626,223)	(1,560,000)	(817,348)	(126,072,930)
Segment assets	-	1,049,941,047	-	-	-	-	-	-	1,049,941,047
Segment liabilities	-	(104,583,347)	-	-	-	-	-	-	(104,583,347)
Cash flows from operating activities	-	46,533,023	-	-	-	-	-	-	46,533,023
Cash flows from investing activities	-	(123,538,465)	-	-	-	-	-	-	(123,538,465)
Cash flows from financing activities	-	95,516	-	-	-	-	-	-	95,516

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62. Segment information (continued)

2024

	Executive & Council	Finance & Administration	Planning & Development	Roads & Infrastructure	Community & Social Services	Energy Sources	Waste Management	Public Safety	Total
Revenue									
Service charges	-	-	-	-	-	61,164,195	12,379,853	-	73,544,048
Rental of facilities and equipment	-	-	-	44,289	250,077	-	-	-	294,366
Interest income - service charges	-	-	-	-	-	47,865	871,404	-	919,269
Construction contracts	-	-	-	-	-	10,560,568	-	-	10,560,568
Licences and permits	-	-	52,047	-	-	-	-	932,730	984,777
Other income	-	2,192,908	206,603	-	131,415	97,935	-	135,525	2,764,386
Interest received	-	26,748,038	-	-	-	-	-	-	26,748,038
Other non-operating gains									
Revenue from non-exchange transactions									
Property rates	-	58,320,526	-	-	-	-	-	-	58,320,526
Government grants and subsidies	7,806,000	224,867,000	840,000	56,570,540	6,976,001	-	-	-	297,059,541
Donations received	-	-	-	-	14,200	-	-	-	14,200
Fines	-	-	-	-	388	-	-	1,583,200	1,583,588
Interest income - property rates	-	3,459,757	-	-	-	-	-	-	3,459,757
Municipality's revenue	**7,806,000**	**315,588,229**	**1,098,650**	**56,614,829**	**7,372,081**	**71,870,563**	**13,251,257**	**2,651,455**	**476,253,064**

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62. Segment information (continued)									
Expenditure									
Employee costs	(15,424,184)	(30,978,151)	(11,849,970)	(19,957,416)	(33,538,732)	(3,833,536)	(8,899,293)	(6,230,014)	(130,711,296)
Remuneration of councillors	(14,955,269)	-	-	-	-	-	-	-	(14,955,269)
Depreciation and amortisation	-	(31,488,912)	-	-	-	-	-	-	(31,488,912)
Impairment losses	-	(2,238,807)	-	-	-	-	-	-	(2,238,807)
Finance costs	-	(3,134,616)	-	-	-	-	-	-	(3,134,616)
Lease rentals	-	(2,272,751)	-	-	-	-	-	-	(2,272,751)
Bad debt written off	-	(4,388,493)	-	-	-	-	-	-	(4,388,493)
Debt impairment	-	(6,047,836)	-	-	-	-	-	-	(6,047,836)
Contracted services	(14,158,602)	(8,540,138)	(2,168,648)	(19,230,082)	(23,607,347)	(12,643,301)	(1,872,000)	(4,138,916)	(86,359,034)
Inventory consumed	(2,055,927)	(9,000)	(947,970)	(36,217)	(609,786)	-	(175,750)	-	(3,834,650)
Operational costs	(13,154,603)	(31,226,696)	(817,338)	(9,476,722)	(1,321,469)	(3,650,044)	(113,742)	(332,006)	(60,092,620)
Bulk purchases	-	-	-	-	-	(52,474,725)	-	-	(52,474,725)
Loss on disposal of assets	-	(500,517)	-	-	-	-	-	-	(500,517)
Actuarial gains/losses	-	(217,970)	-	-	-	-	-	-	(217,970)
Fair value adjustments	-	1,541,000	-	-	-	-	-	-	1,541,000
Total segment expenditure	**(59,748,585)**	**(119,502,887)**	**(15,783,926)**	**(48,700,437)**	**(59,077,334)**	**(72,601,606)**	**(11,060,785)**	**(10,700,936)**	**(397,176,496)**
Total segmental surplus/(deficit)	**(51,942,585)**	**196,085,342**	**(14,685,276)**	**7,914,392**	**(51,705,253)**	**(731,043)**	**2,190,472**	**(8,049,481)**	**79,076,568**

	Executive & Council	Finance & Administration	Planning & Development	Roads & Infrastructure	Community & Social Services	Energy Sources	Waste Management	Public Safety	Total
Other information									
Capital expenditure	(1,931,724)	(15,490,462)	(16,846,812)	(91,594,481)	(11,132,167)	(2,121,462)	(5,733,933)	-	(144,851,041)

CONCLUSION

Mandeni wishes to reinforce its commitment and dedication in ensuring the service delivery and changing the lives of the people within our municipality. This report clearly demonstrates the commitment of the municipality to ensure that the local community has access to their basic needs.

Investment in capital and social infrastructure remains a clear focus area when projects are identified in the IDP. This report to Council and the local community demonstrates the ability of them Mandeni Municipality to adapt to the ever-changing social needs of the local community. The above-the-norm budget spent of 100% on capital infrastructure clearly indicates that the municipality has solid and establishment project management systems in place. Improving those will be the focus from now on.

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.

Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic Municipal Service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget Year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost Indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution Indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.

Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with

Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and their employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriate for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriate for the purposes of the department or functional area concerned*

MANDENI MUNICIPALITY

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