CHIEF ALBERT LUTHULI MUNICIPALITY

Draft Annual Report 2024/25



"The transparent, innovative, and developmental municipality that improves the quality of life of its people".

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Chapter 1

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

EXECUTIVE MAYOR'S FOREWORD



It is an honor and a great pleasure to present, on behalf of Chief Albert Luthuli Municipality and all its stakeholders who have played a vital role in the performance of the municipality, the draft Annual Report for the 2024/2025 financial year.

The municipality has not been immune to the challenges facing other municipalities, provincial governments and the national government as the socio-economic challenges continue to present themselves in different forms such as unemployment, social and economic inequality and poverty. Despite these challenges, the municipality is committed to addressing these challenges which have a negative impact on our service delivery and revenue collection. The municipality is re-visiting, refining and re-crafting its strategic objectives to ensure that they are informed by lessons learnt in the past and that they are aligned to the current socio-economic state. Our strategic objectives are aligned with the Provincial Growth and Development Strategy, the National Development Plan, the National Spatial Development Plan, and the National Key Performance Areas.

Vision

Our vision statement indicates that we are striving to be a transparent, innovative, and developmental municipality that improves the quality of life of its people. As we are continuing with the political term of the council, we are mindful of this vision statement of being open and transparent in discharging our duties, hence we are presenting the draft Annual Report to the masses of our people. It is not only compliance with legal statutory requirements, but also our moral high ground that we should account to our communities for our decisions and spending. This draft 2024/25 Annual Report of Chief Albert Luthuli Municipality, which reflects our service delivery and development achievements and challenges, is presented in recognition of our obligation to be an accountable and transparent

organization. Such annual reporting is also required from South African municipalities in terms of various pieces of legislation, such as Section 46 of the Local Government: Municipal System Act No. 32 of 2000 and Section 121 and 127(2) of the Local Government: Municipal Finance Management Act No.56 of 2003.

Key Policy Developments

The National Development Plan remains our overarching plan, which informs our Integrated Development Plan and budget allocations. The National Development Plan seeks to institutionalize long-term planning and gives expression to the policy continuity characterizing the past and informing the next 20 years. The Mpumalanga Vision 2030 provides a provincial expression of the key priorities, objectives and targets enumerated in the National Development Plan and expressed within the manifesto of the ruling party.

Key Service Delivery Improvements

In the year under review, we have been able to complete our task as per the approved Service Delivery Budget Implementation Plan, which forms the basis of the performance contract that we entered into with administration. The achievement of service delivery targets and deliverables is obviously also required to be viewed together with the municipality's financial performance and our ability to comply with a whole suite of municipal legislation. Recovery of debt in areas where Eskom provides power directly to the people remains a problem. The Municipality continued to support registered indigent and poor households in the form of a monthly subsidies on their household accounts to cover the basic fees with regards to sewerage, refuse removal, water, and electricity. Although we had limited financial resources to accomplish all the expectations of our communities, we were able to make strides as follows:

• Improved access to electricity to communities that were previously deprived of the service.

• Improved access to waste management through regular refuse removal and health compliance inspections.

• Expanded the provision of clean potable water to certain areas of the municipality and installed water meters to control the usage of water.

• Provided an entrepreneurial development initiative through our infrastructure development and other ventures.

• Provided a platform for communities to engage the municipality through Izimbizos, notices, media statements, website, and general community meetings;

• Increased the social assistance net by registering communities as indigent for easy access to municipal services.

• We have a functional Local AIDS Council to mitigate and deal with the effects of HIV/AIDS and other opportunistic infections.

• We have a functional mining and local economic development forum to mitigate the effects on our society of the triple challenges which are poverty, unemployment, and inequality.

• We obtained an unqualified audit opinion with few matters in 2025.

Public Participation

The municipality continues to improve on its public participation initiatives, not only for compliance but for the purpose of enhancing good governance. The enhanced public participation strategies are applied in the form of Ward Committees, Community Development Workers, Ward-based Planning, Community Outreach Programmes in the form of Mayoral Imbizos, notices, media statements, website, forums, and Report Back meetings (general community meetings) to give an update on service delivery issues raised.

Future Actions

We increased the social assistance net by registering our communities as indigent for easy access to municipal services. We also provided skills development and experiential learning initiatives with the private sector and other agencies of government to the unemployed youth and continue to provide quality Service Delivery to our communities.

Agreements / Partnerships

We collaborated with sector departments in creating jobs through the Extended Public Works Programme, Community Works Programme and Siyathuthuka. We have provided skills development and experiential learning initiatives to the unemployed youth and women, with private sector and other agencies of government. We had a very successful Investment Summit whereby many stakeholders and business people have committed to invest within the municipality in various forms.

Conclusion

We are making progress in revenue generation, although not at a satisfactory level. We need to have a comprehensive plan to decisively deal with the concomitant issues on revenue management. We are particularly pleased with the performance of our Project Management Unit in implementing the Municipal Infrastructure Grant. We are encouraged by the general performance of the municipality in various aspects as confirmed by the recent SERO report.

Vandalism and theft are unfortunately a growing problem in parts of the municipal area which is costing the Municipality a substantial amount of money annually. The time has come for a major educational drive to address this problem and to convince communities that vandalism is to their own detriment. The 2024/25 financial year was a challenging period for the local government sphere, because it has been the year of provincial and national elections. It required the local municipalities to ensure success of all the elections processes.

The Year ahead

This draft Annual Report serves as a record of an accounting mechanism to communities on the institution’s achievements and challenges, as well as the mitigation and remedial measures implemented to address the latter. While it reflects that progress has been made in service delivery, there are undeniably challenges. To strengthen and streamline the institution and its operations to enable the institution to expand service delivery to the residents of Chief Albert Luthuli Municipality, inter alia the following interventions/actions will be prioritized in the year ahead:

• Stabilizing the administration by filling key strategic vacancies.

• Sourcing available national and international funding to augment key service delivery projects and replace aging and poor infrastructure.

• Strengthen the Ward Committee System to enhance effective public participation.

• Making the vision and mission of the municipality our motto to provide a strategic thrust for the Municipality's long term development planning.

• Addressing irregular, fruitless, and wasteful expenditure and improving the audit opinion raised by the Audit-General and introducing corrective measures towards obtaining a clean audit.

• Paying our service providers within 30 days.

• Vigorously instilling a culture of performance within the institution.

• Promoting financial discipline and management.

Lastly, we plead with our communities to be active citizens by participating in their development through statutory platforms that are ward committees, CDW's and so forth.

Finally, I would like to express my sincere gratitude to all Councillors, officials, and the residents of Chief Albert Luthuli Local Municipality area for their dedication, support, and co-operation, which enable the institution to excel and withstand all challenges.

I would like to express my gratitude to the Executive Committee and all the Councillors for their contribution and commitment towards realizing the Vision and Mission of the municipality and making a difference in the lives of all people of Chief Albert Luthuli Municipality. I would also like to thank the Management team and Staff members for their support during the year.

Most importantly, I wish to thank the ratepayers, all stakeholders and individuals who continue to support us, without your commitment and support, these achievements that would be outlined in this report would not have been possible.

_____

Cllr. MP Magubane

Executive Mayor

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW



This draft Annual Report for the 2024/2025 financial year has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act, No. 32 of 2000 (as amended), Section 127 (2) of the Local Government Municipal Finance Management Act, No. 56 of 2003, as well as accompanying circulars, templates, and guidelines.

The report records the performance and progress made by the Chief Albert Luthuli Local Municipality in fulfilling its strategic objectives contained in the Integrated Development Plan (IDP), Institutional Scorecard and Service Delivery, and Budget Implementation Plan (SDBIP) as approved by Council for the year reported on. It allows us an opportunity to reflect and see how the Municipality responded to its mandate as a sphere of government charged with the responsibility of delivering basic services to our communities.

In the year in question, we've noted great steps towards the advancement of basic services delivery with the introduction of water supply catalytic projects which are the Eerstehoek Water Treatment Works, upgrading of Mpuluzi/ Methula Bulk water supply scheme phase five (5), Six (6) and Seven (7) funded by the Regional Bulk Infrastructure Grant (RBIG). Needless to mention, these schemes are of a multi-year nature and did not immediately resolve our water supply challenges. However, we are confident that upon successful implementation they will yield great positive results.

From an administrative perspective, the Municipality is aiming to continuously strive towards the realisation of the municipality's vision to be "the transparent, innovative, and developmental municipality that improves the quality of life for its people". We are confident that our current staff is competent, capable, and disciplined enough to rise to the occasion and successfully fulfil this vision. Nevertheless, we remain enthusiastically hopeful, accepting the challenge at hand to redress the root causes in our quest to achieve sound financial management and reporting.

INFRASTRUCTURE AND BASIC SERVICE DELIVERY

Provision of Water

The Municipality is faced with challenges of financing the operation and maintenance of water service infrastructure due to its inability to collect revenue and enforce its credit control policy, particularly in tribal lands. Most of its households have been rated poor in terms of household income according to the latest Statistics report. The Municipality had seven water schemes and two water treatment package plants. The operation and maintenance of the infrastructure was done internally by the Technical Services team, while other major repair and maintenance services were delegated to contracted service providers. The existing infrastructure did not meet the demand of the current population, which led to limited supply to other areas, particularly in Eerstehoek and Empuluzi where water supply was rationed. Reliable, uninterrupted, and constant water supply was further affected by power supply outages and the breakdown of equipment.

The Municipality has persevered despite the financial constraints brought on by its inability to enforce the credit control policy and collect revenues. We provided water to some of the most remote, rural communities using water tankers, and rudimentary electrified boreholes connected to elevated tanks and hand pumps.

Despite the challenges, the following were achieved:

- Collected and successfully analysed water samples;
- Connected new households onto the water grid;
- Provision of basic water within the RDP standard to almost 95% of households despite the challenging circumstances brought on by the fact that most of the households are located in rural towns and villages;
- Attended to leakages timeously as and when identified;
- Completion of Methula Water Scheme; and
- 56 boreholes were maintained and new 17 Boreholes have been drilled by municipality 7 boreholes drilled by the mine and 10 boreholes have been converted from hand pumps to electrical boreholes.

Provision of Electricity

The Municipality was licensed to distribute electricity in Carolina, Silobela and part of eManzana (Badplaas). Other areas within the jurisdiction of the Municipality are supplied by Eskom.

The following were achieved:

- 8102 registered indigents received free basic electrical services.
- Completed installation of 7 high mast lights,
- Completed 2.5 km paving blocks road,
- Completed 4 vehicle and 3-foot bridges,
- Improved water supply at Ward 19 newsstands,
- Commissioning of Eerstehoek Water Treatment Works with snag-list.
- Completed phase one of eManzana Cultural Centre (Roofing)
- Providing sustainable water supply to wards that are supplied by Mpuluzi Water Treatment Works.

Chapter 1

INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The Municipality approved on 27 October 2023 an Employment Equity Plan for 2022-2027 under Council Resolution CL1. 127 and the municipality is partially adhering to the employment equity target.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Good Governance

The Local government, being the sphere of government that exists closest to the people of a state, has often been described as the most important sphere of government.
Since municipal institutions affect the lives of all people living within that territory of the state, they are rightly regarded as the backbone of a balanced democracy.
If the local sphere of government does not function properly, the state, broadly construed, will not functional optimally.

Local Government is seen in many countries as a key institution for the enhancement of democracy and as a vehicle for development. In South Africa, our Municipalities have a clear Constitutional obligation in terms of (Section 152):

- To provide democratic and accountable government for local communities.
- To ensure the provision of services to communities in a sustainable manner.
- To promote social and economic development.
- To promote a safe and healthy environment.
- To encourage the involvement of communities and community organisations in the matters of local government.

Good governance facilitates the delivery of essential services for citizens and is vital for socio-economic welfare and development.

In South Africa, the importance of efficient governance is underscored by the proximity of local government to the people: the epicentre of service delivery.

Local governance discussions usually focus on public administration, factoring in transparency, accountability, and efficiency.

Public Participation

Chapter 4 of the Local Government: Municipal Systems Act, Act 32 of 2000 refers to community participation. It gives rise to the fact that a municipality must develop a culture of municipal governance that complements a formal representative government with a system of participatory governance. Public participation processes of community engagement between government and citizens. Section 17 of the Local Government: Municipal Systems Act (Act 32 of 2000) requires municipalities to put in place systems for communities to participate in the decision-making process. These include the following:

- The process of receiving, processing, and considering petitions.

- Procedures for notifying the public of issues being considered by the council and a process that allows for public comment.
- Procedures for public meetings and hearings by councillors and officials.
- Regular sharing of information about the Municipality through consultation with Community Organizations.

Ward Committees operate under the auspices of the Public Participation Policy read in tandem with other legislative provisions. The Office of the Speaker has embarked on the public participation drive in all the 25 wards in Chief Albert Luthuli area of jurisdiction.

LOCAL ECONOMIC DEVELOPMENT

The number of jobs created through the infrastructure development programmes totalled 3 050 (from CWP Carolina, Tjakastad, and Nhlazatshe), 850 CALM EPWP and 23 Siyathuthuka participants.

SPATIAL PLANNING AND LAND USE MANAGEMENT

The Spatial Development section is responsible for managing the land use within the Municipality. The section further engages with the various stakeholders who are involved in land development, as its purpose is to identify suitable land for the various land uses and ensure that integrated human settlements materialise. The Municipality is responsible only for the monitoring and implementation of the Municipality's Spatial Development Framework and Land Use Management System. The Municipality is also responsible for the monitoring of the housing projects and the development of housing plans, which are funded by the Provincial Department of Human Settlement. Several housing projects comprising 206 housing units which are monitored. The Department of Human Settlements appointed a service provider to develop a 5-year housing plan and the Municipality is in a process of implementing the Housing Chapter that was adopted in 2022, which is valid until 2027

On behalf of the administration of the CALM, we wish to express our deep gratitude to the political leadership provided by the Executive Mayor and his executive council. Without their support, leadership, and oversight, very little would have been achieved during the period under review. Our staff continue to play an important role in ensuring that service delivery is accelerated as our people demand that we expeditiously discharge our mandate. We shall continue accelerating the delivery of services through service delivery innovations.

Yours in Good Governance

_____

Municipal Manager
Mr. ME Thabethe

Chapter 1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION

CALM is a Category B Municipality situated in the Gert Sibande District of the Mpumalanga province. The municipal council consists of forty-nine members elected by mixed-member proportional representation. The political head of the municipality is the Executive Mayor, supported by 6 MMCs elected in terms of Section 60 of the Municipal Systems Act (MSA 2000)

The Municipality adopted an Executive Mayor system (Section 55 of the MSA) as well as a Mayoral Committee governance system (Section 60 of the MSA). The Municipality is comprised of a Mayoral Committee, and Section 79 and 80 Committees. A mayoral executive system is a system of municipal government which allows for the exercise of executive authority through an executive mayor in whom the executive leadership of the municipality is vested and who is assisted by a mayoral committee

The Mayoral Committee and Section 80 Committees deal with the executive part of administration, and the Section 79 Committees are responsible for oversight.

The Audit Committee provides is an independent committee constituted to review the control, governance and risk management, provide assurance and recommendations on the overall control environment, financial processes and performance to Council, and also provides comments to the Municipal Public Accounts Committee (MPAC) on the Annual Report. within the Institution, established in terms of section 77 of the Public Finance Management Act (PFMA), or section 166 of the Municipal Finance Management Act (MFMA).

The Speaker is the Chairperson of the Council and leads the process of public participation in consultation with the Executive Mayor. The Council Whip assists the Speaker with affairs of Councillors, ensuring that all pieces of legislation, policies, and procedures are observed.

A Municipal Manager (MM), who is the Accounting Officer, heads the administration function of the municipality. The Municipal Manager is assisted by five Directors (Section 56 employees) and a staff complement of over 476 with proper organisational structure and job descriptions. The delegation of authority document was approved by Council and is being implemented.

The community of CALM is involved in the functions of the Council through established Ward Committees chaired by Ward Councillors and administratively supported by municipal officials and Community Development Workers (CDWs). A structured system ensures that issues from the communities are effectively communicated to Council through Ward Committees and CDWs.

The CALM population is increasingly under pressure due to population growth. According to Statistics South Africa, in 2022, the total population in CALM was approximately 247 664, with a 32% growth between 2016 and 2022. As a result, the municipality is now ranked as the 9th largest population in the province and makes up 4.8% in the province (as per 2022 community survey).

The municipality has over 63 303 HHs with access to essential municipal services. The main economic activities are coal, mining, forestry, and agriculture.

INTRODUCTION TO BACKGROUND DATA

The Municipality is named after the great leader of the people and the African National Congress movement, Chief Albert Luthuli. The Municipality is a Category B municipality situated within the Gert Sibande District Municipality, on the eastern escarpment of Mpumalanga, and shares its eastern border with the country of Eswatini, with its seat in Carolina. It consists of diversified communities that face various social, economic, environmental and governance challenges.

The N17 cuts through the south-eastern part of the area, as well as other regional mobility routes, namely the R36, R33 and R38. The majority of rural settlements are spread across the eastern part of the municipal area and access is provided by the R541, N17 and various secondary routes.

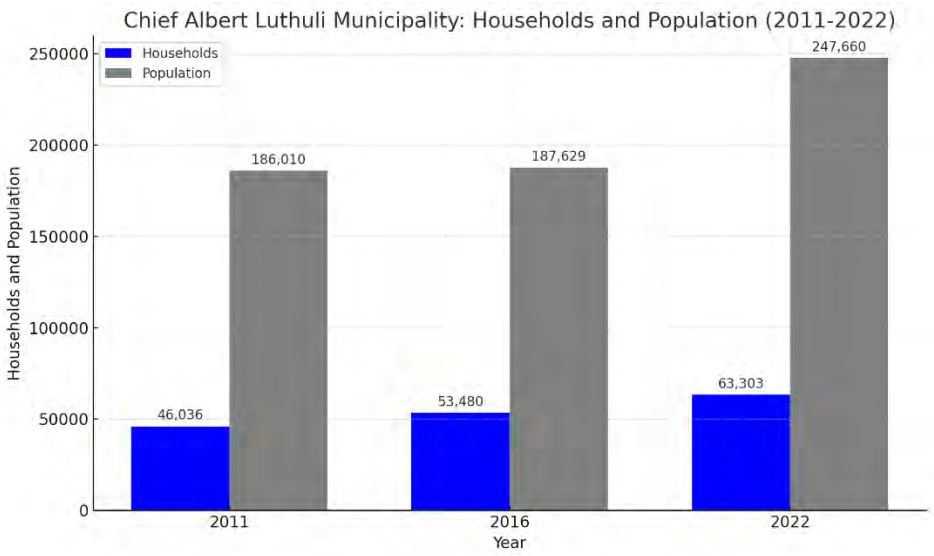
Other key features of the Municipality include forestry areas in the central and southern parts of the Municipality, the Nooitgedacht and Vygeboom Dams, a river system, as well as the edge of a greater wetland region. Economic activities that are dominant spatially in the Municipality include agriculture, forestry, and mining. The economic Retail and Services activities are concentrated in Carolina and smaller centres such as Elukwatini and Emanzana.



T 1.2.1

Population Distribution by Age (Census and 2022 Community Survey)						
Age	2016			2022		
	Male	Female	Total	Male	Female	Total
Age: 0 - 4	10958	11056	22014	13354	13822	27176
Age: 5 - 9	10859	10204	21063	11951	12009	23960
Age: 10 - 14	10353	10469	20822	12429	12442	24871
Age: 15 - 19	11180	11116	22296	11733	11593	23326
Age: 20 - 24	9287	9632	18919	11102	11740	22842
Age: 25 - 29	7734	9340	17074	10151	11935	22086
Age: 30 - 34	5832	7170	13002	9353	11398	20751
Age: 35 - 39	4256	5263	9519	8364	10184	18548
Age: 40 - 44	3422	4764	8186	6263	7084	13347
Age: 45 - 49	3293	4241	7534	4999	5814	10813
Age: 50 - 54	2811	3520	6331	4224	5425	9649
Age: 55 - 59	2372	3105	5477	3751	5073	8824
Age: 60 - 64	1908	2823	4731	3196	4185	7381
Age: 65 - 69	1768	2490	4258	2396	3571	5967
Age: 70+	2354	4053	6407	2681	5438	8119
Total	**88387**	**99246**	**187633**	**115947**	**131713**	**247660**

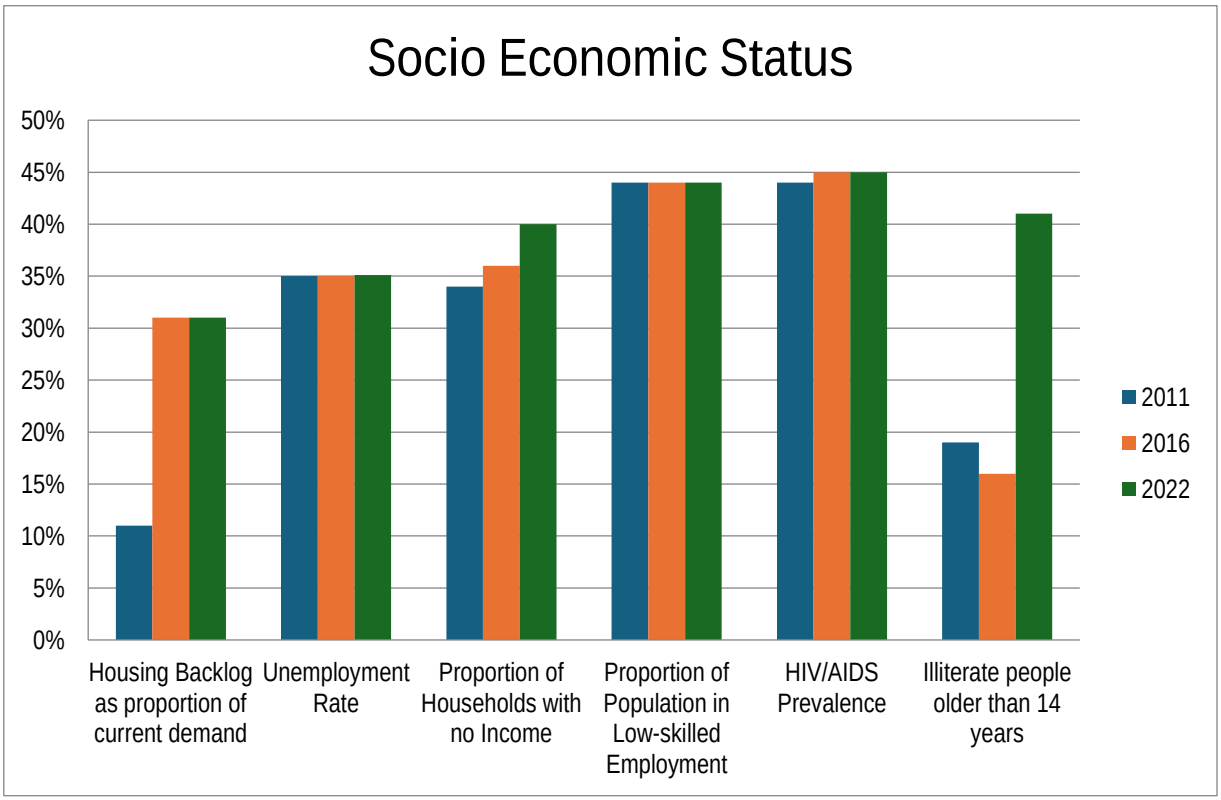
Source: Statistics SA
T 1.2.2



T1.2.3

Socio-Economic Status						
Year	**Housing Backlog as proportion of current demand**	**Unemployment Rate**	**Proportion of Households with no Income**	**Proportion of Population in Low-skilled Employment**	**HIV/AIDS Prevalence**	**Illiterate people older than 14 years**
2011	11%	35%	34%	44%	44%	19%
2016	31%	35%	36%	44%	45%	16%
2022	31%	35%	40%	44%	45%	41%

T 1.2.4



T 1.2.5

Overview of Neighborhoods within the Chief Albert Luthuli Municipality		
Settlement Type	**Households**	**Population**
Towns, Townships, Rural Settlements, and Informal settlements		
Aarnhemburg	127	504
Albert Luthuli NU	3 660	14 267
Avontuur	157	781
Badplaas	163	582
Betty's Goed	342	1 489
Caithness	24	136
Carolina	5 059	16 846
Davale	172	885
Dibaba	48	107
Diepdale	1 598	6 768
Dumbarton	60	281
Dundonald	1 229	4 764
Ekulindeni	1 341	4 521
eMbangweni	727	2 879
Embhuleni	128	595
eMlondozi	0	0
eMphelandaba	143	532
Engonini	118	427
Enkhaba	123	525
Esgwili	538	2 504
Etjelembube	507	2 165
Fernie	3 783	15 693
Glenmore	1 830	7 180
Hereford	265	1 400
Holeka	609	2 520
Houtbos	283	1 215
Izidonga	131	694
Kalwerskraal	19	91
Lukwatini	3 921	13 149
Mafumulo	240	1 077
Malahleka	65	333
Manaar	222	965
Manzana	1 970	6 922
Maphundlwane	353	1 318

Overview of Neighborhoods within the Chief Albert Luthuli Municipality		
Settlement Type	**Households**	**Population**
Maryvale	49	112
Maxflower Gate	552	2 401
Mayflower	3 638	13 547
Mbejeka	116	514
Modergat	44	241
Mooiplaas	987	4 149
Ndonga	48	268
Nhlaba	204	779
Nhlazatje	6 983	28 224
Nooitgedacht Dam	32	50
Northdene	81	388
Phophonyane	80	444
Redhill	1 180	4 861
Robinsdale	243	1 165
Theeboom	78	418
Tjakastad	3 071	12 711
Vlakplaas	149	598
Vygeboomdam	51	115
Waverley	164	910
Sub Total	47 705	186 010
		T 1.2.6

Natural Resources	
Major Natural Resource	**Relevance to the Community**
Mining	0.1% contribution to growth with labour intensity of 1.03
Forestry and Agriculture	0.5% contribution to growth with labour intensity of 1.61
Tourism	Tourism spent of 4.8% as percentage of GDP
	T 1.2.7

COMMENT ON BACKGROUND DATA

The municipality uses the 2022 census data as the basis for planning together with the CALM administration data.

T 1.2.8

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The main basic services rendered by the services directorate of CALM include water, sanitation, electricity, and refuse removal. The municipality is both a Water Services Authority (WSA) and Water Service Provider (WSP), hence it is mandated to provide water and sanitation to its community. The funding for the provision of basic services is sourced from internal reserves, municipal funds, the Water Services Infrastructure Grant (WSIG), Regional Bulk Infrastructure Grant (RBIG) and the Integrated National Electrification Programme (INEP).

The strategy is to ensure the provision of road and storm water infrastructure while upgrading existing infrastructure in all areas and maintaining existing roads. Municipal funds are utilized for the construction of roads, while the MIG is utilized for construction of new roads in low-income areas. As a WSA the municipality must provide water and sanitation services to all communities in its jurisdiction. The municipality is both a WSA and a WSP.

T 1.3.1

The proportion of HHs with Minimum Level of Basic Services

Municipality	Services	Total number of HHs	Number of HHs with Access	%	Number of HHs without Access	%
CALM	Water	63 303	60 788	96%	2 515	4%
CALM	Sanitation	63 303	63 239	99.9%	64	0,37%
CALM	Electricity	63 303	61 447	97%	1 856	3%
CALM	Refuse removal	63 303	23 949	38%	39 354	62%

T 1.3.2

COMMENT ON ACCESS TO BASIC SERVICES

The Municipality supplies basic water within the RDP standard to almost 83% of 63 303 households with piped water inside dwelling/yard. 13% of households have access to water through communal standpipes, boreholes, water tankers.

The Municipality provides access to electricity to 97% households, and households without electricity are now less than 3%, according to the SA Statistics (2022) Community Survey. Completed electricity meter installation totalled 139 and 326 public lights were maintained during the year under review.

The proportion of households with access to basic sanitation is 99,9%, where 25 528 (40%) households have access to waterborne/flush toilets, 3 466 (5,5%) households have access to sanitation through septic tanks & chemical toilets, 31 455 (50%) households have access to VIP toilets and 2 790 (4,4%) households have access to pit (non-VIP) toilets.

Currently the Municipality has a total road network of about 649km, where 81% are considered as gravel roads. Most of the gravel roads are in dire condition and are located in the rural areas of the municipality. Some are bladed to pipelines and eroded due to heavy rainfall.

T 1.3.3

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The municipality's financial results for the year ended 30 June 2025 reflect a notable improvement in performance and financial stability compared to the previous year.

Revenue

Total revenue amounted to R1.18 billion, showing growth from the prior year. The bulk of this income was derived from:

Government grants and subsidies – R927.7 million (78% of revenue)
Service charges – R86.6 million
Property rates and taxation revenue – R89.1 million
Other income streams (interest, rentals, donations, traffic fines) – R78.6 million

Expenditure

Total expenditure was R812.1 million, mainly driven by:
Employee-related costs – R263.6 million
Bulk purchases (electricity and water) – R134.8 million
Depreciation and amortisation – R77.4 million
Contracted services – R106.2 million
Operational costs – R137.4 million

Surplus

The municipality recorded a net surplus of R369.9 million, compared to R372.2 million in 2023/24. This reflects effective cost management and improved revenue collection.

Financial Position

Total assets: R3.21 billion (up from R2.83 billion in 2024)
Total liabilities: R357.7 million
Net assets/reserves: R2.86 billion
The financial position remains strong, with growth in infrastructure assets and an accumulated surplus of R2.75 billion.

Overall Assessment

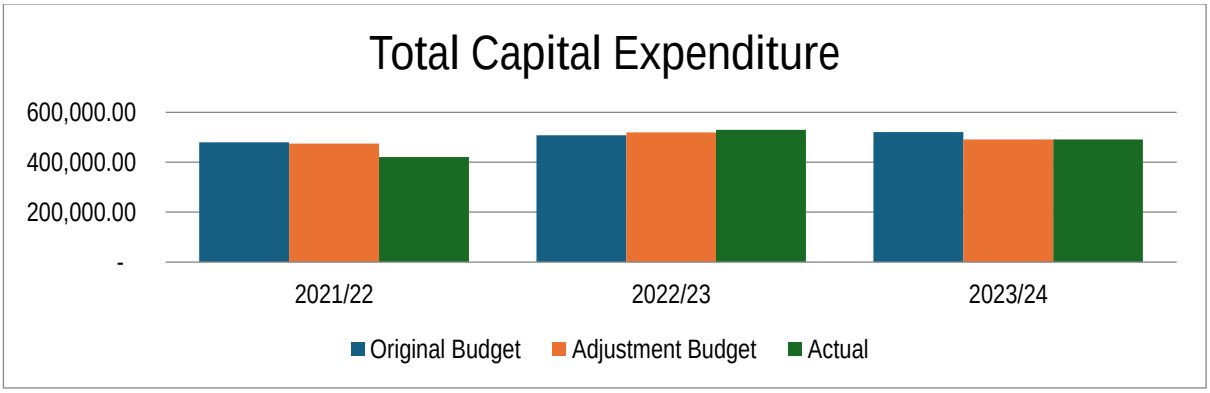
The municipality has demonstrated improved financial performance and maintained a healthy surplus. However, liquidity constraints and dependency on government grants remain key risks. Strengthening revenue collection, reducing debt levels, and managing operational costs will be critical for sustaining financial health. *T 1.4.1*

Total Capital Expenditure: 2022/23 to 2024/25

R'000

Detail	2022/23	2023/24	2024/25
Original Budget	508,000.00	521,000.00	460,285,354
Adjustment Budget	520,000.00	491,000.00	258,350
Actual	530,000.00	491,000.00	460,543,704

T 1.4.4



COMMENT ON CAPITAL EXPENDITURE

In the year under reporting (2024/25), 100% grant received was spent on capital budget.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality approved on 27 October 2023 an Employment Equity Plan for 2022-2027 under Council Resolution CL1. 127. The number of people from the employment equity target groups that were employed were five (5). The said positions were 100% occupied by the previously disadvantaged group. The total number of employees was 534, and there were 47 funded positions which some of them were filled during the 2024/25 financial year.

T 1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 2024/25

The Municipality obtained an Unqualified audit opinion for 2024/25 financial year.

T 1.6.1

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft Annual Report, including Annual Financial Statement and Performance Report to Internal Audit and Auditor-General	August
5	Annual Performance Report as submitted to AGSA to be provided as input to the IDP Analysis Phase.	
6	AGSA audits the Annual Financial Statements and Performance data	September/ October
7	Municipalities receive and start to address the AGSA's findings.	
8	Commencement of draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	
9	Receive management letter and provide final comments on findings.	November
10	AGSA submits audit opinion.	
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the AGSA's Report.	January
12	Audited Annual Report is made public, and representation is invited	February
13	Oversight Committee assesses Annual Report	
14	Council adopts Oversight report	March
15	Council tables next financial year Budget/IDP and invites public representation.	
16	Oversight report is made public	April
17	Oversight Report is submitted to relevant national and provincial stakeholders and legislature.	
18	Council approves next financial year Budget/IDP.	May
19	Make public approved budget and IDP	June
20	Finalize Service Delivery Budget Implementation Plan (SDBIP) and Performance Agreements for next financial year.	
21	Make public SDBIP and Performance Agreements	July

T 1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS

The municipality compiles its annual report with the guidance of the Municipal Finance Management Act (MFMA) and adopted it on time, having obtained information for the planning and budgeting processes for the subsequent year. This ensures proper planning. The alignment between IDP, Budget, and Performance Management Systems (PMS) remains one of management's priorities.

T 1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The municipality is determined by Provincial Legislation as a Mayoral Executive System in terms of Section (9)(c) of the Local Government: Municipal Structures Act as well as a Mayoral Committee governance system (Section 60 of the MSA). This means that the exercise of executive authority is done via an Executive Mayor in whom executive leadership of the municipality is vested. Additionally, the Executive Mayor is assisted by a Mayoral Committee established in terms of Section 60 of the MSA, and Section 79 and 80 Committees.

The Mayoral Committee and Section 80 Committees deal with the executive part of administration, and the Section 79 Committees exercise legislative authority are responsible for oversight.

The Audit Committee provides is an independent committee constituted to review the control, governance and risk management, provide assurance and recommendations on the overall control environment, financial processes and performance to Council, and also provides comments to the Municipal Public Accounts Committee (MPAC) on the Annual Report. within the Institution, established in terms of section 77 of the Public Finance Management Act (PFMA), or section 166 of the Municipal Finance Management Act (MFMA).

The Municipality established Municipal Public Accounts Committee (MPAC) as a Section 79A committee, comprised of non-executive councilors, with the specific purpose of providing the Council with comments and recommendations on the Annual Report. The Municipal Public Accounts Committee's (MPAC) reports are published separately in accordance with MFMA (2003) guidance and report directly to the council as per the provisions of Section 79A of the MSA read in tandem with the Standing Rules and Orders of Council.

South Africa's Constitution explicitly mandates a participatory approach to democracy, aiming for active citizen engagement beyond just voting. As a mechanism of aiding these principles, the municipality established ward committees in its 25 wards with the view of strengthening public participation and entrenching democracy in terms of Section 73 of the Local Government: Municipal Structures Act. The ward committees are fully functional, and their role involves, amongst others, the ears and eyes of the Council at grassroots level. Input from the ward committees are discussed in Council meetings so that they receive the necessary attention.

T 2.0.1

Chapter 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151 (3) of the Constitution states that the Council of a municipality has the right to govern its initiative and the local government affairs of the local community.

The CALM is a Category B municipality situated in the Gert Sibande District Municipality of the Mpumalanga province. The political structure of the CALM comprises a municipal council that exercises both executive and legislative authority consisting of 49 councillors and is chaired by the Speaker. The municipality has a Mayoral Executive System.

The Municipal Manager is the administrative head and is a link between politicians and the administration. In addition, five (5) Senior Managers ("Section 56 Managers"), support the Accounting Officer.

T 2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Local government, being the sphere of government that exists closest to the people of a state, has often been described as the most important sphere of government. Since municipal institutions affect the lives of all people living within that territory of the state, they are rightly regarded as the backbone of a balanced democracy and as essential service providers from a credo of relevance perspective. If the local sphere of government does not function properly, the state, broadly construed, will not functional optimally. it is precisely for this reason that local government sector and the government in general is called upon in the NDP: Vision 2030 to:

• Strengthen Delegation, Accountability and Oversight functions.
• Promote greater and more consistent delegation supported by systems for support and oversight.
• Make it easier for citizens to hold municipal officials & politicians accountable for the quality of services they receive.
• Ensure effective internal assurance through municipal councils, MPACs, Audit & Risk Committees.
• Be open and responsive to assurance provided by external assurance providers like the AG, Treasury, CoGTA, SALGA & others; Local Government is seen in many countries as a key institution for the enhancement of democracy and as a vehicle for development.

Local Government in South Africa is no exception. And our Municipalities have a clear Constitutional obligation (Section 152):

• To provide democratic and accountable government for local communities.
• To ensure the provision of services to communities in a sustainable manner.
• To promote social and economic development.
• To promote a safe and healthy environment; and
• To encourage the involvement of communities and community organizations in the matters of local government.

In aid of the Constitutional obligations and regulatory requirements., Chief Albert Luthuli Local Municipality, post the 2021 Local Government Elections established, in line with conditions of establishment by the MEC through a section 12, Committees of Council that will expedite good governance, oversight and accountability and facilitate a fair law-making process. In this regard, Chief Albert Luthuli Local Municipality has been exemplary in terms of good governance in the Gert Sibande District:

• In commensuration with the Local Government: Municipal Structures Act (Act 117 of 1998) and the Local government: Municipal Systems Act (Act 32 of 20000, the municipal council has successfully established council committees as per the requirements of Section 79 and Section 80 of the Local Government: Municipal Structures Act (Act 117 of 1998).
• Terms of Reference for orderly and proper constitution of the Committees were adopted by the municipal council to ensure oversight and accountability.
• Chairperson of Municipal Public Accounts Committee (MPAC) was appointed as full-time office bearers and other chairpersons of Section 79 Oversight Committees were appointed on a part-time basis.
• Audit and Risk Management Committees were established. These impartial statutory structures have been established to principally to provide oversight on financial and performance reporting information and allied internal controls in the institutions. These structures are fully functional, and they report to the municipal council on a quarterly basis.
• All the Council Committees have been able to present oversight reports in ordinary council meetings at least once per quarter.
• The municipal council has been able to adopt the oversight report on the Annual Reports as required by the MFMA.

T 2.1.1

Chapter 2

POLITICAL STRUCTURE

THE EXECUTIVE COMMITTEE



EXECUTIVE MAYOR
Councillor M.P. Magubane

The Executive Mayor:

- Provides general political guidance over the fiscal and financial affairs of the municipality.
- Identifies, reviews and evaluates the needs of the municipality in order of priority.
- Recommends to the municipal council strategies, programs and services to address priority needs.
- Recommends or determines the best way to deliver those strategies, programs and services to the maximum benefit to the community.
- Identifies and develops criteria in terms of which progress in the implementation of the strategies programs and services can be evaluated.
- Evaluates progress.
- Reviews the performance of the municipality in order to improve the economy, efficiency and effectiveness of the municipality, and the efficiency of credit control, and revenue and debt collection services.
- Monitors the management of the municipality's administration; and
- Oversees the provision of services to communities in a sustainable manner.



SPEAKER
Councillor S.V. Gininda

The Speaker of the Council:

- Presides at meetings of the council;
- Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the MSA (2000);
- Ensures that the council meets at least quarterly.
- Maintains order during meetings.
- Compliance in the council and council committees with the Code of Conduct for Councillors; and
- Ensures that council meetings are conducted in accordance with the rules and orders of the council.
- must ensure that the legislative arm of the municipality functions effectively.
- is responsible for effective oversight over the executive authority of the council;
- must ensure the effectiveness of the committees of the municipal council established in terms of section 79; and
- is responsible for the ethics and accountability of the municipal council;
- must ensure the effectiveness and functionality of ward committees and the public participation processes.



CHIEF WHIP
Councillor L.L. Sidu

The Council Whip may:

- Provide political management of council meetings and committee meetings;
- Inform councillors of meetings called by the Speaker and the Executive Mayor and ensure that such meetings quorate;
- Advise the Speaker and Executive Mayor on the council agenda;
- Inform councillors on important matters on the relevant agenda;
- Advise the Speaker on the amount of time to be allocated to speakers and the order of such speakers addressing the council;
- Ensure that councillors' motions are prepared and timeously tabled in terms of the procedural rules of Council;
- Assist the Speaker in the counting of votes;
- Advise the Speaker and the Executive Mayor of urgent motions; advise the Speaker and Executive Mayor on how to deal with important items not disposed of at a council meeting

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MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE



Corporate Services
Councillor G.G. Zulu

As a member of the Mayoral Committee:

- Assists and advises the Executive Mayor;
- Chairs designated departmental portfolio committee meetings;
- Performs any Executive Mayor's powers delegated by the Executive Mayor and oversees the programmes pertinent to his/her portfolio.
- Ensures efficiency and functioning of the total administration of the municipality;
- Overall administration of the Corporate Services Department;
- Provides support at support council meetings;
- Controls the activities of administration and records management,
- Legal services;
- Human capital, resources; employment equity and skills development;
- Co-ordinates occupational health and safety; and
- Co-ordinates committees.



Finance Services
Councillor R.D. Motaung

As a member of the Mayoral Committee:

- Review policy choices and trade-offs in the budget;
- Contribute to the public participation processes pertinent to the budget and allied policies;
- Ensure the compilation and submission of the budget, and any adjustments budgets to council;
- Monitoring the implementation of the budget;
- Evaluating implementation performance;
- Monitor and scrutinise the submission of section 71 monthly budget statements;
- Monitor the revenue and expenditure projections for each month;
- Monitor the service delivery targets and performance indicators for each quarter (as set-out in the SDBIP);
- Monitor spending patterns, for example underspending or overspending of budget votes;
- Monitor the implementation of the departmental strategies, i.e. UIF reduction strategy and revenue enhancing strategies; and
- Monitor the implementation of by-laws and devising early warning systems in terms of the municipality's liquidity position.



Community Safety Services
Councillor E.S. Dhlamini

As a member of the Mayoral Committee:

- Assists and advises the Executive Mayor;
- Chairs designated departmental portfolio committee meetings;
- Performs any Executive Mayor's powers delegated by the Executive Mayor and over sees the following programs:
- the overall administration of the Community and Safety Services Department;
- management of waste removal;
- support to Youth/Women/People Living with Disability;
- provision of sport and recreational facilities;
- provision and management of: Libraries; Cemeteries; Parks and Gardens; and Environmental Health.



Technical Services & PMU
Councillor S.N. Dube

As a member of the Mayoral Committee:

- Assists and Advises the Executive Mayor;
- Chairs designated departmental portfolio committee meetings;
- Performs any executive mayor's powers delegated by the executive mayor and oversees the following programmes:
- Electricity services;
- Water and sanitation services;
- Public Works (Roads and Storm Water);

- Operation and Maintenance (O&M);
- Co-ordinates municipal infrastructure; and
- Municipal fleet.



Planning and Economic Development
Councillor S.P. Nkosi

As a member of the Mayoral Committee:

- Assists and advises the Executive Mayor.
- Chairs designated departmental portfolio committee meetings.
- Performs any Executive Mayor's powers delegated by the Executive Mayor and oversees the following programmes:
    - Overall administration of the Planning and Economic Development Department.
    - The overall strategic spatial planning of the Municipality.
    - Local economic development.
    - Integrated development planning.
    - Strategic planning and management.
    - Human settlement; and town planning.



Special Programme
Councillor J.T. Mathebula

As a member of the Mayoral Committee:

- Advocating for the vulnerable groups i.e. youth, gender, children, senior citizens and people with disabilities;
- Advising the municipality on addressing issues of the vulnerable groups e.g. development of policies, strategic documents;
- Co-ordinating and implementing all municipal programs relating to the vulnerable groups
- Mainstreaming issues of the vulnerable groups into all municipal processes and programmes;
- Liaising with stakeholders from sector departments and private sector through executive mayor;
- Monitoring programmes aimed at youth development;
- Monitoring programmes aimed at women development;
- Convening women development summits annually ;
- Monitoring programmes aimed at people with disability;
- Convening people with disability summits annually;
- Providing supports in local aids meetings; and
- Provide a political guidance to all special programs in consultation with the Executive Mayor.

T 2.1.1

COUNCILLORS

The Minister of Cooperative Governance and Traditional Affairs (Cogta) determines the Formulae For Determination OF the number of councillors of municipal councils in accordance with section 20 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), with 49 councillors of whom 25 are wards councilors with 24 as Proportional Representation (PR). In terms of this formula and the conditions of establishment (Section 12 Notice) the MEC for CoGTA, designated full-time councillors, being the Executive Mayor, five Members of the Mayoral Committee, the Speaker of Council, MPAC Chairperson and the Council Whip.

SALGA resolved in 2011 that the position of Chairperson of the Municipal Public Accounts Committee should be designated as full-time. That was escalated to the determination of upper limits and approved as such. The Municipal Council then designated the Chairperson of the Municipal Public Accounts Committee as a full-time councillor.

Refer to **Appendix A** for the full list of Councillors (including committee allocations and attendance at council meetings). Also refer to **Appendix B** for the list of committees and its purposes

T 2.1.2

POLITICAL DECISION-TAKING

Matters for decision-making are divided into two categories. Matters are delegated to the Executive Mayor (Mayoral Committee) for finalization, and matters are reserved for the Municipal Council for finalization.

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The administration is led by the Municipal Manager, appointed in Section 54 of the MSA 2000. The Municipal Manager is employed on a contract basis, which includes an annual performance agreement with performance objectives, targets, and procedures for evaluating performance. The Municipal Manager is also the Accounting Officer of the municipality.

The Accounting Officer and the five (5) Directors implement council resolutions, advise Council and its committees, and oversee the IDP, budget planning, and implementation processes. There are functions that Council delegates to the Municipal Manager, who in turn, sub-delegates certain functions to the respective Directors. Under their leadership, municipal officials are assigned to attend community consultative meetings and report to management on plans and progress in addressing community issues.

T 2.2.1

ADMINISTRATIVE STRUCTURE



MUNICIPAL MANAGER
Mr. M.E. Thabethe

Duties:

- Exercises the functions and powers assigned to an accounting officer in terms of the MFMA (2003);
- Provides guidance and advice on compliance with the MFMA (2003) to the Political Structures, Political Office-Bearers and officials of the Municipality;
- Ensures the implementation of the IDP;
- Provides all administrative responsibilities; and
- Takes responsibility for all Human Resource matters; Financial Management; Asset Management and procurement.



DIRECTOR: THE CHIEF FINANCIAL OFFICER (CFO)
Ms. M.M. Sekgobela

Duties:

- Is responsible for the overall administration of the Finance Department;
- Provides Strategic leadership in the Finance Department;
- Develops and continuously evaluates short and long-term strategic financial objectives; and
- Ensures that internal financial targets and budget were fully consistent with the municipality's IDP, SDBIP and relevant agreements with other sectors of government.



DIRECTOR: CORPORATE SERVICES
Mr S.S. Sibeko

Duties:

- Is responsible for the overall administration of the Corporate Services Department.
- Ensures efficiency and functioning of the total administration of the municipality.
- Provides support at support council meetings.
- Co-ordinates and controls the activities of administration and records management.
- Co-ordinates legal services.
- Co-ordinates human resources; employment equity and skills development.
- Co-ordinates occupational health and safety.
- Co-ordinates committees.
- Co-ordinates the IDP, SDBIP and performance management.



DIRECTOR: COMMUNITY SAFETY SERVICES
Mr. S.I. Malaza

Duties:

- The overall administration of the Community and Safety Services Department;
- Management of waste removal;
- Support to Youth/Women/People Living with Disability;
- Provision of sport and recreational facilities;
- Provision and management of:
- Libraries;
- Cemeteries; and
- Parks and Gardens; and Environmental Health



ACTING DIRECTOR: TECHNICAL SERVICES
Mr. B.P. Thela

Duties:

- Is responsible for the overall administration of the Technical Services Department.
- Co-ordinates electricity services.
- Co-ordinates water and sanitation services.
- Co-ordinates public works (roads and storm water).
- Co-ordinates operation and maintenance (O&M).
- Co-ordinates municipal infrastructure.
- Co-ordinates municipal fleet.



DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT
Mr. L.T. Motloung

Duties:

- Is responsible for the overall administration of the Planning and Economic Development Department.
- The overall strategic planning of the Municipality.
- Local economic development.
- Integrated development planning.
- Strategic planning and management.
- Human settlement; and town planning.

Chapter 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

In terms of the MSA (2000) Section 3, a municipality must exercise its executive and legislative authority within the constitutional system of co-operative governance as envisaged in Section 41 of the Constitution (1996).

The Constitution (1996), Section 41, provides for co-operative governance in the three spheres of government. At National level is the Presidential Coordinating Forum and MinMec; at Provincial level is the Premier Co-coordinating Forum and the MunMec; and at District level are the Mayors Forum and Municipal Managers Forum.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

National Treasury – Coordinates the development of the Local Government fiscal framework applicable to Municipalities in the context of the DoRA. It manages the development of the Local Government Equitable Share formula and ensures compliance with the MFMA to modernise local government budgeting and financial management processes and practices. It helps improve economic governance and maximize Municipal capacity to deliver services through efficiency, effectiveness, sustainability and by dealing with corruption. In addition, it sets up the accountability cycle by ensuring proper linkages between IDPs, budgets, SDBIPs, In-Year Reports, Annual Financial Statements, Annual Reports, Oversight Reports, and Audit Reports.

The Department of Cooperative Governance and Traditional Affairs (COGTA) – This department develops various policies and guidelines to enable sustainable development to eradicate poverty. It creates a service-orientated culture that requires the active participation of the wider community. Community input is essential in improving integrated development planning and service delivery. Linked to this is the establishment of performance management, which is crucial in improving living conditions for all citizens.

SALGA – SALGA is the national representative body of local government and has a constitutionally-defined mandate. It responds to challenges facing organised local government and addresses past weaknesses.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

OFFICE OF THE PREMIER – Focuses on cooperative and good governance through providing advice and information, coordination, monitoring, and support to local government.

PROVINCIAL TREASURY – Promotes cooperative Government amongst role-players and assists National Treasury in implementing the MFMA, monitors Municipal budgets and outcomes, analyse in-year reports, and implements intervention measures to assist municipalities that breach the MFMA.

COGTA MPUMALANGA – Assists and guides in building a clean, effective, efficient, responsive, and accountable local government. Strengthens partnerships between local government and communities and ensures municipalities meet their mandate of providing essential services.

SALGA – The official representative of local government, an employer's organization for all municipalities, and sits as the employer in the South African Local Government Bargaining Council.

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Chief Albert Luthuli Municipality does not have municipal entities.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

Gert-Sibande District Municipality has intergovernmental structures such as the Gert-Sibande District Municipality Municipal Manager's Forum, and Executive Mayor Forum.

T 2.3.4

Chapter 3

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

In terms of the MSA (2000), Section 15(b), a municipality must establish and organise its administration to facilitate a culture of accountability amongst its staff; Section 16(i) requires that a municipality develop a system of municipal governance that complements formal representative governance with a system of participatory governance; and Section 18(i)(d) requires that a municipality supply its community with information concerning municipal governance, management, and development.

The Municipality submits quarterly reports and convenes bi-monthly Council meetings, which are attended by members of the community, ward committees, as well as Community Development Workers from the 25 wards of the Municipality; and mayoral izimbizo and IDP Forum meetings are attended by various stakeholders and communities.

Public participation in the Municipality is conducted in a structured manner. The directive from national government on the structuring of community participation is the ward committee system. Most of the liaison with communities is done through ward committee meetings.

Although ward committees provide for the representation of communities on a geographical basis, there are also a number of sector interests not covered by ward committees that play a major role within the municipal area, such as education, business, manufacturing, and agriculture. Liaison with and involvement of such sector groups is therefore crucial in order to get a full picture of the current reality in the municipal area. Liaison with sector groups is done mainly through the IDP Representative Forum (IDPRF).

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

In terms of the MSA (2000), Section 18(i)(d), a municipality must supply its community with information concerning municipal governance, management, and development. The Municipality invites the community to meetings and events by means of printed media or by posting notices on the municipal website, at shops, and in public places. The Municipality also uses local radio broadcasts on Radio Ligwalagwala, Kwekwezi FM, and Radio Alpha to invite people to meetings. Otherwise, in areas where a meeting or a municipality-related event is scheduled, the most common and effective method is loud-hailing. This method of communication is common in the community.

Budget Consultative Meetings
At Budget Consultative Meetings, the ward committees are tasked with conducting public meetings and submit reports to the office of the Speaker.

IDP Representative Forum (IDPRF) Meetings

IDP Representative Forum meetings are held at least quarterly and are attended by sector departments that make presentations. The meetings are well attended by the community, and interaction between the community and the Municipality/sector departments is satisfactory.

T 2.4.1

WARD COMMITTEES

When the government introduced the new system of local government in 2000, it correctly positioned this as the sphere of government that is best placed to give practical meaning and substance to the basic political commitment that the People Shall Govern. It said to the people, through local government, together with the community, shall bring democracy to where one lives. In its conceptualization of local government, it placed it at the cutting edge of addressing such basic national challenges such as underdevelopment, unemployment, stagnation and poverty.

The newly created sub-municipal Ward Committees play a critical role in achieving the above. Being a representative structure of the community and citizens, they need to inform the municipality about the aspirations, potentials and problems of the people. They should also form a bridge by facilitating proper communication between council and citizens they represent. Local government legislation provides for the establishment of ward committees that will serve as a cord which articulates the system of government to the mass base.

Ward committees have an important role to play in actively taking part and determining core municipal process, such as the Integrated Development Planning, municipal budgeting, and municipal performance management processes. Without them, our system of democratic government and developmental local government cannot be said to be rooted among the people.

T 2.4.2

Public Meetings				
Nature and purpose of meeting	**Date of events**	**Number of Participating Municipal Councillors**	**Issue addressed (Yes/No)**	**Frequency of feedback given to community**
Ward Committee Meetings	Monthly	25	Yes	Monthly
Mayoral Izimbizo	Quarterly	49	Yes	Semi-annually
IDP representative forums	September October-December	49	Yes	Semi-annually
IDP Process plan participation meetings	July to August	49	Yes	Once a year

T 2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

Public meetings are very effective and are attended by a number of stakeholders, such as sector departments, members of the community, community development workers, and ward committees from the 25 wards of the Municipality. Post the pandemic, the municipality uses a hybrid model for conducting public participation, with virtual platforms and social media robustly incorporated as means of public participation and digital communications. Councilors and ward committee members of the Municipality are provided with transportation to public meetings by the Municipality. At public meetings, members of the community have the opportunity to interact with their leaders, and their input is taken into consideration when the IDP or Budget is being finalized.

T 2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	**Yes/No**
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	

T 2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The Municipality has implemented a system of Corporate Governance that encourages the effective, efficient, and economic use of resources towards better service delivery and ensures accountability and responsibility for the stewardship of those resources. This Governance framework supports sound financial decision-making, providing affordable services to the community, guiding funding and financing priorities, and facilitating performance monitoring and review.

During the year under review, the following key Governance responsibilities were functional:

- Internal audit function operates in terms of an Internal Audit Charter and Risk-Based Audit Plan.
- Approved internal audit plan.
- AC, which operates under approved terms of reference.
- A risk assessment was conducted, including a risk management strategy and monitoring critical risks according to a risk register.
- An approved Fraud Prevention Plan exists. In addition, a strategic plan was prepared and approved for the financial year, forming the basis for performance monitoring against the SDBIP, the Municipal mandate, predetermined objectives, outputs, indicators, and targets.
- A PMS is in place.
- An approved system of delegations exists to maximise administrative and operational efficiency and to provide for adequate checks and balances as required in terms of Section 59 to 65 of the MSA 32 of 2000.

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Risk management is a key part of corporate governance. It is the way an organization manages its business, determines its strategy and objectives, and goes about achieving those objectives. Good risk management assists in identifying and dealing with key corporate risks facing the organization in the pursuit of its goals, and is a key part of good management, not simply a compliance exercise.

Risk management is about improving the ability of the Municipality to deliver outcomes for the community by managing its threats, enhancing its opportunities, and creating an environment that adds value to ongoing activities.

Risk management is an important aspect of the day-to-day activities of the Municipality, which is exposed to risk both in terms of threats to the provision of services and the potential for lost opportunities. It is essential that the Municipality demonstrates to its citizens that it fully considers the implications of risk as it conducts its business for the benefit of its residents.

The Risk Management Executive Report has been prepared as a reflection of the work performed during the 2024/25 financial year, which ended 30 June 2025. Its purpose is mainly to provide information on the benefits and effectiveness of the risk management function. In addition, the Annual Report serves to inform stakeholders on the progress that the Risk Management Section has made in the achievement of its objectives.

In terms of the MFMA (2003), Section 62(i)(c), a municipality must have and maintain an effective, efficient, and transparent system of risk management; and the municipal manager is responsible for managing the municipality's financial administration. For this purpose, the municipal manager must take all reasonable steps to ensure, among others, that the municipality has and maintains.

To give effect to the above, the Municipal Manager established the Risk Management Committee in the Municipality. The Committee had four (5) meetings in the 2024/25 financial year. A schedule of Risk Management Committee meetings was developed to ensure that the Committee meets its obligations.

The Risk Management Unit approved a Risk Management Policy, Strategy and Anti-Fraud and Corruption Policy. It also maintains a Strategic Risk Register, an ICT Risk Register, Anti-Fraud and Corruption Risk Register, an Operational Risk Register, and a Compliance Risk Register.

The risk management process is designed to support members and officials in ensuring that the Municipality is able to fully discharge its risk management responsibilities in a consistent manner.

The Municipality has a risk management strategy that outlines the objectives, benefits, and approach to the process to ensure that risks, both positive and negative, are successfully managed.

The Municipality conducts regular risk assessments and maintains a Risk Register. The following are the top eight (9) risk areas for the Municipality:

1. Unsustainable financial viability and revenue collection
2. Inadequate provision of basic services
3. Inadequate implementation of governance processes
4. Inability to ensure efficient and effective ICT information
5. Failure to acquire an unqualified audit opinion without any matters of emphasis (Clean audit)
6. Global pandemic (Infections that will affect rendering of service delivery)
7. Inadequate institutional transformation
8. Inadequate economic growth
9. Unavailability of land for development

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipality is committed to developing and fostering a climate within the Municipality where all employees strive for the ultimate eradication of fraud, corruption, theft, and maladministration by applying the full spectrum of both pro-active and re-active measures at their disposal. The Municipality has a Fraud Prevention Policy, which sets out the stance of the Municipality on fraud, as well as enforcing existing regulations aimed at preventing, reacting to, and reducing the impact of fraud, corruption, theft, and maladministration, where these dishonest acts exist.

The policy applies to all fraud, corruption, theft, maladministration or suspected irregularities of similar nature involving all employees of the municipality, Councillors, consultants, suppliers, contractors and other providers of goods or services to the Municipality and communities and other parties receiving benefits from the Municipality and employees of donors/clients/stakeholders.

While the municipality currently uses the provincial hotline (0800 701 701) and presidential hotline (17737) for the reporting of all suspected fraud and corruption, it is in the process of establishing its own anti-fraud and corruption hotline.

The firm stance of the municipality is that:
• Fraud and corruption will not be tolerated, and zero tolerance will be enforced.
• All incidents will be investigated and followed up by the application of all remedies available within the full extent of the law.
• All incidents of fraud and corruption will be reported to the South African Police Service (SAPS) for criminal prosecution.
• Losses or damages suffered will be recovered from the responsible employee/councillor if he/she is liable according to the law.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Note: MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required
The Municipality has a Supply Chain Management (SCM) policy in place. The SCM policy is developed in terms of Section 111 of the Municipal Finance Management Act, Act 56 of 2003, and Section 217 of the Constitution of the Republic of South Africa. The principle of this policy gives effect to a fair, equitable, transparent, competitive. and cost-effective system for the procurement of goods and services, the disposal of goods, and the selection of contractors in the provision of municipal services

Furthermore, the municipality has developed and implemented a fraud prevention plan in order to enforce good governance and good conduct.

The municipality has also developed and implemented a Preferential Procurement Policy as per the PPPFA 2022 regulations which allows and promotes preferential procurement in terms of the RDP objectives. All contracts awarded during the year under reporting (2024/2025) were reported quarterly to Council and published on the municipal website and National Treasury Etenders portal.

T 2.8.1

2.9 BY-LAWS

By-laws Introduced during Year 2024/25					
Newly Developed	**Revised**	**Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)**	**Dates of Public Participation**	**By-Laws Gazetted* (Yes/No)**	**Date of Publication**
None	None	None	N/A	N/A	N/A

COMMENT ON BY-LAWS

No new by-laws were developed, revised, during the 2024/25 financial year.

T 2.9.1.1

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	**Yes / No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents	Yes	19-Apr-24, 22-Mar-25
All current budget-related policies	Yes	16-Aug-24
The previous annual report	Yes	1-Apr-24
The annual report published/to be published	Yes	After approval by Council
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards.	Yes	Annual
All service delivery agreements	Yes	Annual
All long-term borrowing contracts.	Yes	n/a
All supply chain management contracts above a prescribed value (give value) for Year.	Yes	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2024/25	Yes	1-Jun-24
Contracts agreed in 2024/25 to which subsection (1) of section 33 apply, subject to subsection (3) of that section.	Yes	
Public-private partnership agreements referred to in section 120 made in 2024/25	Yes	n/a
All quarterly reports tabled in the council in terms of section 52 (d) during 2024/25	Yes	Quarterly

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

The Municipal Website is functional and accessible to the public. However, it requires an upgrade to enable interactive access with the public. The upgrade commenced during the 2024/2025 financial year, and a service provider was appointed to undertake this process. Work is currently in progress, and the newly upgraded website is expected to go live in the 2025/2026 financial year.

The following documents are available on the website:
(a) Integrated Development Plan (IDP)
(b) Service Delivery Budget implementation Plan (SDBIP)
(c) Performance Contracts and Agreements for s54A and 56 Managers
(d) Budget and Budget related policies
(e) Annual Financial Statements
(f) Annual Reports
(g) Tenders
(h) By-Laws and other related information

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICE

PUBLIC SATISFACTION LEVELS

The municipality is committed to increasing delivery service, which requires a deeper insight into the level of satisfaction of its community. To achieve this goal, the municipality has undertaken to conduct a Community Satisfaction Survey. The survey was conducted quarterly across all 5-unit offices which include Carolina, Emanzana, Elukwatini, Ekulindeni and Empuluzi.

T 2.11.1

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

INTRODUCTION

The main basic services rendered by the services directorate of CALM include water, sanitation, electricity, and refuse removal. The municipality is both a WSA and Water Service Provider, hence it is mandated to provide water and sanitation to its community. The funding for the provision of basic services is sourced from internal reserves, municipal funds, the Water Services Infrastructure Grant (WSIG), Regional Bulk Infrastructure Grant (RBIG) and the Integrated National Electrification Programme (INEP.

The strategy is to ensure the provision of road and storm water infrastructure while upgrading existing infrastructure in all areas and maintaining existing roads. Municipal funds are utilized for the construction of roads, while the MIG is utilized for construction of new roads in low-income areas. As a Water Services Authority (WSA) the municipality must provide water and sanitation services to all communities in its jurisdiction. The municipality is both a WSA and a Water Service Provider.

T 3.0.1

COMPONENT A: BASIC SERVICES

This component includes water; wastewater (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

This report is compiled in terms of the legislative requirements of Chapter 6 of the said MSA and Chapter 12 of the said MFMA. The MSA prescribes the role of each sphere of government in the municipal performance reporting.

Section 46 of the MSA states that:
“A municipality must prepare for each financial year a performance report reflecting the performance of the municipality and of each external service provider during that financial year, as well as a comparison of the performances referred to paragraph (a) with targets set for and performances in the previous financial year and measures taken to improve performance”.

An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the MFMA. Section 121(1) of the MFMA requires that, "every municipality and every entity must for each financial year prepare an annual report". The Council of a municipality must, within nine months after the end of a 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 main purpose of this report is to account to Council, the MEC for Local Government, the Provincial Legislature, the Minister of Cooperative Governance and Traditional Affairs, National Treasury, the Auditor-General, and ultimately to all the citizens of South Africa on the progress being made by the municipality towards achieving the overall goal of "a better life for all." Furthermore, the report serves as a key performance report to communities and other stakeholders, in accordance with the principles of government transparency and accountability to citizens. It subscribes to the South African developmental nature of participatory democracy and cooperative governance and responds to the principles of the Constitution, Batho Pele, the White Paper on Local Government, the MSA and the MFMA.

According to the provisions of the MSA, a municipality must monitor and measure the progress of their performance by preparing quarterly and mid-year performance reports, in terms of Chapter 6 of the MSA, on performance management systems as well as the MFMA Section 127.

These quarterly reports, in terms of Section 54 of the MFMA and Section 72 mid-year reports, make up the Municipal annual performance reports (Section 46 report), which are submitted to the Auditor-General, together with the financial statements, for auditing. After adoption of the audited performance report by the municipal council, it must be submitted to the MEC for Local Government.

This report presents an analysis and comparison of past and current progress on performance that has been conducted. It has been formed by all the quarterly reports, and as indicated above, they were consolidated into this report, termed the Annual Performance Report (APR). The report is structured in terms of the Key Performance Areas (KPA) and grouped by program according to each KPA.

T 3.1.0

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Legislative Requirements

The Municipality is a Water Service Authority. The Water and Sanitation section was mandated to provide water services as per the WSA (1997). The section was further responsible for the operation, maintenance and upgrading of water and sanitation infrastructure and for issues related to water quality monitoring.

The Municipality supplies basic water within the RDP standard to almost 83% of 63 303 households with piped water inside dwelling/yard. 13% of households have access to water through communal standpipes, boreholes, water tankers.

The Municipality is faced with challenges of financing the operation and maintenance of water service infrastructure due to its inability to collect revenue and enforce its credit control policy, particularly in tribal lands. The Municipality had seven water schemes and two water treatment package plants. The operation and maintenance of the infrastructure was done internally by the Technical Services team, while other major repair and maintenance services were delegated to contracted service providers. The existing infrastructure did not meet the demand of the current population, which led to limited supply to other areas, particularly in Eerstehoek and Empuluzi where water supply was rationed. Reliable, uninterrupted, and constant water supply was further affected by power supply outages and the breakdown of equipment.

The Municipality has persevered despite the financial constraints brought on by its inability to enforce the credit control policy and collect revenues. We provided water to some of the most remote, rural communities using water tankers, and rudimentary electrified boreholes connected to elevated tanks and hand pumps.

Despite the challenges, the following were achieved:
• Collected and successfully analysed water samples;
• Connected new households onto the water grid;
• Provision of basic water within the RDP standard to almost 96% of households despite the challenging circumstances brought on by the fact that most of the households are located in rural towns and villages;
• Attended to leakages timeously as and when identified;
• 52 pumps and motors were repaired; and
• 154 boreholes were repaired

The following capital projects were funded by MIG/WSIG and RBIG and approved for the 2024/25 financial year:

1) ALMT 01/2022 - Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04
2) ALMP 11/2022 - Upgrading of Emanzana Water Treatment Works by 1Mega litre
3) Replacement of AC Pipes in Empuluzi Water Scheme: Swallowsnest
4) Construction of Kranskop, Ngonini Village Water Reticulation and Bulk water Supply Infrastructure
5) Construction of Steynsdorp Village Water Reticulation and Bulk water Supply Infrastructure.
6) Eerstehoek Bulk Water Scheeme - Phase 1, 2, 3 and 4
7) Mpuluzi Methula phase 1, 5,6 &7
8) Bulk water and Sanitation Master Plan and implementation

T 3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	**Forestry**	**Industrial**	**Domestic**	**Unaccountable water losses**
2025	0	0	0	60 788	0
2024	0	0	0	60 788	0
2023	0	0	0	44 212	0

T 3.1.2

COMMENT ON WATER USE BY SECTOR

The last common enemy of water resources are alien plants and wattle, both of which consume a significant volume of water. These threats, together with that of water pollution (acid mine drainage, agriculture, oil spillages, and sewage spillages), are going to render natural water resources unfit for human consumption.

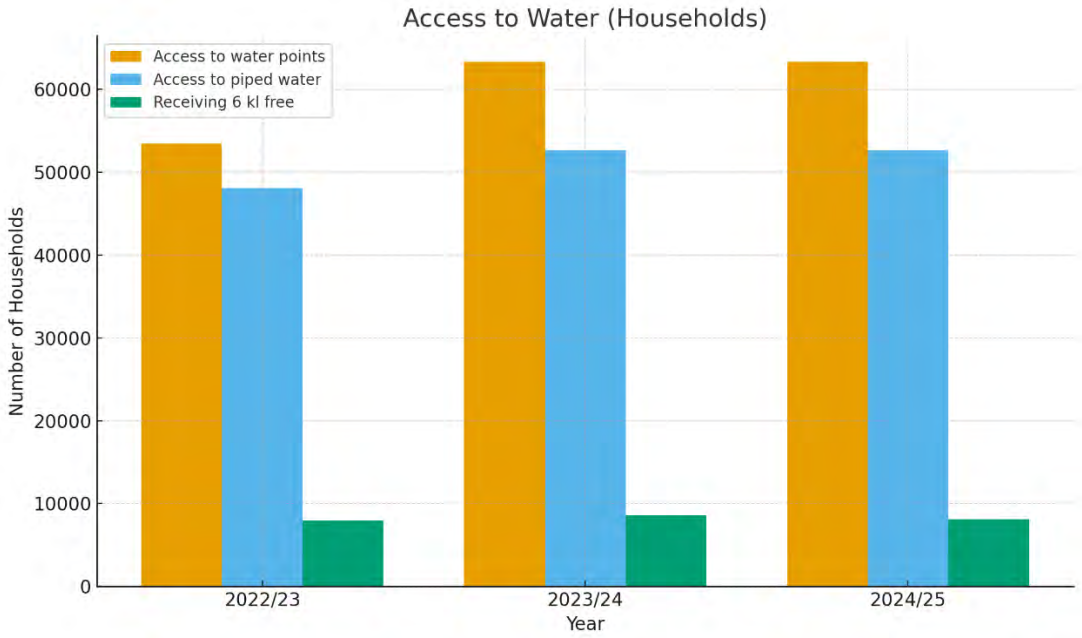
Lastly, the prevailing drought condition has not spared the Municipality. Our major rivers continue to drop at alarming rates, and boreholes are drying up. As such, the importance of conserving water and reducing water losses cannot be over-emphasised.

T 3.1.2.2

Water Service Delivery Levels			
			Households
Description	2022/23	2023/24	2024/25
	Actual	Actual	Actual
	No.	No.	No.
Water: **(above min level)**			
Piped water inside dwelling	21 828	52 640	52 640
Piped water inside yard (but not in dwelling)	21 828		
Using public tap (within 200m from dwelling)	4 828	3 152	3 152
Other water supply (within 200m)			
Minimum Service Level and Above sub-total	48 484	60 788	60 788
Minimum Service Level and Above Percentage	91%	96%	96%
Water: **(below min level)**			
Using public tap (more than 200m from dwelling)			
Other water supply (more than 200m from dwelling	4 996	4 996	4 996
No water supply			
Below Minimum Service Level sub-total	5 775	4 996	4 996
Below Minimum Service Level Percentage	11%	4%	4%
Total number of households*	**53 480**	**63 303**	**63 303**
** - To include informal settlements*			*T 3.1.3*

Households - Water Service Delivery Levels below the minimum			
			Households
Description	**2022/23**	**2023/24**	**2024/25**
	Actual	**Actual**	**Actual**
	No.	**No.**	**No.**
Formal Settlements			
Total households	53 480	63 303	63 303
Households below minimum service level	4 996	4 996	4 996
Proportion of households below minimum service level	9%	4%	4%

Access to Water			
	Proportion of households with access to water points*	**Proportion of households with access to piped water**	**Proportion of households receiving 6 kl free#**
2022/23	53 480	48 069	7 968
2023/24	63 303	52 640	8 584
2024/25	63 303	52 640	8 102
			T 3.1.5


Access to Water (Households)
Access to water points
Access to piped water
Receiving 6 kl free
Number of Households
0
10000
20000
30000
40000
50000
60000
2022/23
2023/24
2024/25
Year

Water Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**
Service Objective							
To ensure provision of basic services	Number of mega litres of portable water distributed	10 080 000 000	3 926 090 000	10 080ML	11 453.887ML	10 080 000 000	10 504 538 000
	Number of mega litres of water supplied to deep rural areas	107 520 000	21 857 050	107.52ML	43.94ML	107 520 000	48 836 652
	percentage of network failure reported and responded to within 5 days.	100%	100%	100%	100%	100%	98%
	Percentage of new household's water connection received and responded to	100%	100%	100%	100%	100%	100%
	% of reports for Water Quality monitored in line with the agreed annual sampling Plan.	100%	73%	100%	88,60%	100%	77%
	Percentage of Drinking Water Quality Samples Compliant to SANS 241 (BDS)	N/A- New KPI	N/A- New KPI	N/A- New KPI	N/A- New KPI	97%	80%

Employees: Water Services					
Job Level	Year-2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0%
4 - 6	11	7	11	8	114%
7 - 9	18	21	18	2	10%
10 - 12	72	81	72	8	10%
13 - 15	0	0	0	0	0%
16 - 18	45	48	45	3	6%
Total	148	159	148	21	13%
					T3.1.7

Financial Performance 2023/24: Water Services					
					R'000
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	95	84	86	123	32%
Expenditure:					
Employees	248	260	276	276	6%
Repairs and Maintenance	248	260	276	276	6%
Other	248	260	276	276	6%
Total Operational Expenditure	744	781	828	828	6%
Net Operational Expenditure	649	697	742	705	1%
					T 3.1.8

Capital Expenditure 2024/25: Water Services					R' 000
Capital Projects	**2024/25**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All	**37500000**	**0**	**39571332.98**	**-5%**	
ALMT 01/2022 - Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04	R 12,500,000.00		R 12,868,569.57		R 63,955,768.80
ALMP 11/2022 - Upgrading of Emanzana Water Treatment Works by 1Mega litre	R 12,500,000.00		R 12,500,000.00		R 36,120,461.92
Replacement of AC Pipes in Empuluzi Water Scheme: Swallowsnest	R 12,500,000.00		R 14,202,763.41		R 10,474,200.00
Construction of Kranskop, Ngonini Village Water Reticulation and Bulk water Supply Infrastructure	R19,770,114.00		R 27,085,491.64		R27,509,636.10
Construction of Steynsdorp Village Water Reticulation and Bulk water Supply Infrastructure.	R26,375,500.00		R 21,019,432.33		R61,970,727.73
Eerstehoek Bulk Water Scheeme - Phase 1, 2, 3 and 4	R 25,051,031.28		R 25,051,031.28		R 316,378,901.00
Mpuluzi Methula phase 1, 5,6 &7	R21,583,842.03		R21,583,842.03		R1,500,000,000.00
Bulk water and Sanitation Master Plan and implementation	R27,193,149.63		R27,193,149.63		R 171 870 785.78

T 3.1.9

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

The municipality aims to ensure that 100% of HHs have access to water. The Municipality supplies basic water within the RDP standard to almost 83% of 63 303 households with piped water inside dwelling/yard. 13% of households have access to water through communal standpipes, boreholes, water tankers

T 3.1.10

3.2 WASTEWATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The proportion of households with access to basic sanitation is 99,9%, which is more than 63 239 households. However, approximately over 64 households (0,1%) are still below the minimum service level. The Municipality has constructed 265 VIP Toilets during the financial year.
The following capital projects were funded by MIG/WSIG and approved for the 2024/25 financial year:
Construction of Conventional Toilets in ward 07,08,11,13,19,21&23
Upgrading of Emanzana Wastewater Scheme
Refurbishment of Ekulindeni WWTW
Upgrading of Carolina WWTW -Package 1&2
Construction of Sewer Reticulation in Carolina Ext 4 and Carolina Emzamo Section.
Upgrade of Mpuluzi WWTW (Phase 2)

T 3.2.1

Sanitation Service Delivery Levels

			*Households
Description	**2023**	**2024**	**2025**
	Outcome	**Actual**	**Actual**
	No.	**No.**	**No.**
Sanitation/sewerage: **(above minimum level)**			
Flush toilet (connected to sewerage)	40 252	25 263	25 528
Flush toilet (with septic tank)	847	3 466	3 466
Chemical toilet	651		
Pit toilet (ventilated)	198	2 790	2 790
Other toilet provisions (above min.service level)	11 532	31 455	31 455
Minimum Service Level and Above sub-total	53 480	62 974	63 239
Minimum Service Level and Above Percentage	100%	99,5%	99,9%
Sanitation/sewerage: **(below minimum level)**			
Bucket toilet	0	0	0
Other toilet provisions (below min.service level)	0	0	0
No toilet provisions	0	0	0
Below Minimum Service Level sub-total	0	0	0
Below Minimum Service Level Percentage	0%	0,5%	0,1%
Total households	**53 480**	**63 303**	**63 303**

Total number of households including informal settlements *T 3.2.3*

Wastewater (Sanitation) Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(ix)**	**(x)**
Service Objective							
To ensure provision of basic services	% of households with access to basic levels of sanitation by 30 June 2023 (GKPI)	90%	100%	90%	95%	90%	99,9%
	Percentage of callouts Responded to within 48 Hours (sanitation/ wastewater)	N/A- New KPI	N/A- New KPI	N/A- New KPI	N/A- New KPI	100%	97%
	Percentage of waste Water samples taken as per annual sampling points	N/A- New KPI	N/A- New KPI	N/A- New KPI	N/A- New KPI	100%	100%
	Percentage of Wastewater Final Effluent samples compliant to water use license conditions (GDS)	N/A- New KPI	N/A- New KPI	N/A- New KPI	N/A- New KPI	95%	88%

Financial Performance 2024/25: Sanitation Services R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	83	78	86	83	6%
Expenditure:					
Employees	276	260	276	276	6%
Repairs and Maintenance	276	260	276	276	6%
Other	276	260	276	276	6%
Total Operational Expenditure	828	781	828	828	6%
Net Operational Expenditure	745	703	742	745	6%
					T 3.2.8

Capital Expenditure 2024/25: Sanitation Services R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Construction of Conventional Toilets in ward 07,08,11,13,19,21&23	R 7,513,000.00		R 7 317 003.10		R 126,308,945.00
Upgrading of Emanzana Wastewater Scheme	R2,360,967.98		R 0.00		R 36,598,827.41
Refurbishment of Ekulindeni WWTW	R6,609,077.43		R6,609,077.43		R 26,360,983.31
Upgrading of Carolina WWTW -Package 1&2	R181,344,977.06		R181,344,977.06		R 225,283,849.98
Construction of Sewer Reticulation in Carolina Ext 4 and Carolina Emzamo Section.	R10,827,853.03		R 14,219,232.24		R18,413,303.01
Upgrade of Mpuluzi WWTW (Phase 2	R24,056,488.00		R 22,485,473.46		R64,468,112.46
					T 3.2.9

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

The aim is to ensure the provision of new sanitation infrastructure while upgrading existing infrastructure.

T 3.2.10

ELECTRICITY

INTRODUCTION TO ELECTRICITY

Background

Legislations include the Electricity Amendment Acts (1989), (1994), and (1995); the Electricity Regulation Act (2006); Municipal Electricity License and NERSA regulations. The Municipality was licensed to distribute electricity in Carolina, Silobela, and part of Emanzana (Badplaas). Other areas within the jurisdiction of the Municipality were licensed to Eskom. The provision of electricity services to the licensed areas is the responsibility of the Technical Services Department. The department ensures the provision of electricity to consumers in terms of the Municipal Electricity License and various NERSA regulations. The department also ensures the expansion and maintenance of the electricity distribution network to maintain a firm and regulated quality of supply through the network. Furthermore, the department is also responsible for the maintenance of public lights (high mast and streetlights) across the Municipality including areas licensed by Eskom.

Responsibilities

To supply electricity to households and businesses and maintain the electricity infrastructure in order to ensure an uninterrupted, continuous supply at all times.

Achievements

- 100% transformers were repaired/maintained after being reported,
- 100% panels and substations were repaired/maintained after being reported,
- 100% ring main units were repaired/maintained after being reported,
- 328 public lights maintained,
- 139 Electricity meters were installed, and
- 100% km of electrical network were repaired/maintained after being reported, where even faults or outages were carried out successfully, which ensured the continuity of electricity supply to customers/ end users.

Challenges

- Theft and vandalism of electricity infrastructure;
- Shortage of own plant machinery (crane truck) prolong the response time;
- Ageing of infrastructure.

Proposed Solutions

- Improve security measures at substations
- Procure own crane truck; and

Future Outlook

- Ring fence the electricity section.
- Extend the Municipality's licence to the other areas within the Municipality which are currently supplied by Eskom

The following capital project was funded by INEP and approved for the 2024/25 financial year: Electrification of households and Buk supply

T 3.3.1

Electricity Service Delivery Levels			
			Households
Description	2023	2024	2025
	Actual	Actual	Actual
	No.	No.	No.
Energy: **(above minimum level)**			
Electricity (at least min.service level)	61 447	61 447	61 447
Electricity - prepaid (min.service level)	1 856	1 856	1 856
Minimum Service Level and Above sub-total	61 447	61 447	61 447
Minimum Service Level and Above Percentage	97%	97%	97%
Energy: **(below minimum level)**			
Electricity (< min.service level)	1 856	1 856	1 856
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	0	0	0
Below Minimum Service Level sub-total	1 856	1 856	1 856
Below Minimum Service Level Percentage	2,9%	2,9%	2,9%
Total number of households	**63 303**	**63 303**	**63 303**
			T 3.3.3

Electricity Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basic services	Percentage of transformers repaired & maintained within 2 days after being reported.	100%	100%	100%	100%	100%	100%
	Percentage of public lights maintained.	490	650	90,00%	29,00%	90,00%	99%
	Percentage of electrical network repaired internally within 2 days after being reported.	100%	100%	100%	100%	100%	100%
	Percentage of panels and substations repaired internally within 2 days after being reported.	100%	100%	100%	100%	100%	100%
	Percentage of Ring Main Units (RMU) repaired & maintained within 2 days after being reported	100%	100%	100%	100%	100%	100%
	Number of electricity meters installed	200	219	200,00	217,00	200,00	139,00

Employees: Electricity Services					
Job Level	Year: 2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	8	8	8	0	0%
7 - 9	0	0	0	0	0%
10 - 12	7	15	7	8	53%
13 - 15	0	0	0	0	0%
16 - 18	2	2	2	0	0%
Total	18	26	18	8	31%
					T 3.3.6

Financial Performance 2023/24: Electricity Services					R'000
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	95	97	93	92	-5%
Expenditure:					
Employees	248	260	276	276	6%
Repairs and Maintenance	248	260	276	276	6%
Other	248	260	276	276	6%
Total Operational Expenditure	744	781	828	828	6%
Net Operational Expenditure	649	684	735	736	7%
					T 3.3.7

Capital Expenditure 2024/25: Electricity Services R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 6,610,000.00				
Electrification of households and Buk supply	R 6,610,000.00		R 6 610 000.00		R 6 610,000.00

T 3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

The following was achieved: 328 public lights were repaired and maintained; transformers, the electrical network, electrical panels, and ring main units were 100% repaired and maintained; and 139 smart meters were installed.

T 3.3.9

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

INTRODUCTION TO WASTE MANAGEMENT

The Core functions of waste management are to render the following:
(a) Refuse Collections
(b). Clearing and prevention of illegal dumping
(c) Identify and Establishment Management of Transfer Stations and landfill sites (d) Cleaning of open spaces.
(e) Enforcement of Waste Management By-Laws.

The Waste Management Section renders refuse collection service to 15 682 household weekly according to a weekly schedule in the various municipal areas/wards. Refuse is also collected from Industrial, government institutions and businesses in and around the central business district (CBD's). Daily, street-cleaning and litter picking services are rendered within the Central Business District (CBD), Adjacent Streets and main entrances/exits throughout towns.

The municipality has two registered landfill sites situated in Carolina and Elukwatini and Three sites licensed and utilised as transfer stations. The waste that is disposed on all sites exclude medical waste, the hospital and Surgeries has their own way of hazardous waste disposal. The recorded waste from two landfill sites is reported regularly on the South African Waste Information Centre (SAWIC). The municipality has formalised waste recyclers, and they are all permitted to utilised municipal disposal sites.

T 3.4.1

Solid Waste Service Delivery Levels			
Description	**2022/23**	**2023/24**	**2024/25**
	Actual	**Actual**	**Actual**
	No.	**No.**	**No.**
Solid Waste Removal: **(Minimum level)**	23 399		
Removed at least once a week	23 399		
Minimum Service Level and Above sub-total	37%		
Minimum Service Level and Above percentage			
Solid Waste Removal: **(Below minimum level)**	516		
Removed less frequently than once a week	3 522		
Using communal refuse dump	23 399		
Using own refuse dump	119		
Other rubbish disposal	7 30		
No rubbish disposal	45		
Below Minimum Service Level sub-total	63%		
Below Minimum Service Level percentage	**63 303**		
Total number of households			

Waste Management Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Current Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basics services	Percentage of waste management service rendered on 6 areas	100%	100%	100%	86%	100%	99.9%
	Number of refuse bins supplied to billable households.	500	501	500	550	600	602
	Number of inspections to be conducted on each of the 5 disposal sites	5	5	5	5	60	60
	Number of Environmental awareness campaigns held	2	22	5	7	8	11
	Number of parks developed in CALM	N/A - New KPI	N/A - New KPI	2	4	2	2
	Number of climate Change mitigation Awareness programs Implemented by 30 June 2025	N/A - New KPI	N/A - New KPI	N/A - New KPI	N/A - New KPI	2	3
	Develop Air Quality Management Plan	N/A - New KPI	N/A - New KPI	N/A - New KPI	N/A - New KPI	1	0.3

Employees: Waste Disposal and Other Services					
Job Level	Year: 2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	1	1	0	0%
4 - 6	6	6	6	0	0%
7 - 9	1	6	6	0	0%
10 - 12	48	2	1	1	33%
16 - 18	74	49	48	1	3%
Total	6	77	74	3	4%

T 3.4.6

Capital Expenditure 2024/25: Waste Management Services					
					R' 000
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	7 000 000.00	0		-4,2%	
Construction of Badplass Landfill site	R 7 000 000.00		R 7 299 707.21		R 16 003 630.65

T 3.4.9

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

The municipality implemented the Construction of the Badplaas Landfill Site project. A total of 602 household bins were distributed to areas that were previously not receiving refuse removal services. Regular inspections were conducted at landfill sites to ensure compliance and functionality. Refuse was successfully removed in 99.9% of the identified areas where refuse removal services are rendered. Furthermore, the municipality implemented 11 environmental awareness campaigns and developed two parks during the reporting financial year.

T 3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

The municipality does have a strategy regarding human settlements project and programmes. The strategy was developed by a Service Provider which was appointed by the Provincial Department of Human Settlements. The strategy is called Housing Chapter of IDP. The DHS is the one that have control on projects and programs allocated to the municipality. The municipality only monitor the programs and projects allocated to the municipality.

T 3.5.1

Percentage of households with access to basic housing			
Year end	**Total households (including in formal and informal settlements)**	**Households in formal settlements**	**Percentage of HHs in formal settlements**
2022/23	53 480	42 893	80,2%
2023/24	63 303	59 005	93%
2024/25	63 303	59 005	93%

T 3.5.2

Housing Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
Sustainable integrated Human Settlement	Percentage of human settlements projects monitored.	100%	100%	100%	100%	100%	100%
	Number of consumer education conducted.	12	31	25	30	25	30

Employees: Housing Services					
Job Level	Year – 2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
Total	3	3	3	0	0%

T 3.5.4

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

Chief Albert Luthuli Municipality did not build any houses during the year under review as this is the responsibility of the Department of Human Settlement. However, the municipality only have indicators under the Housing units which deals with capturing forms on the National Database for community members who needs RDP houses.

T 3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Purpose of the Indigent Policy is to allow the municipality to target the delivery of essential services to citizens who experience a lower quality of life and improve to Free Basic Services (FBS).

The policy:
Identifies how the indigent will be accessed;
Establish the process that will be used to manage the indigent;
Identify the process for tracking and assessing the service received by the indigent, as well as the real benefit that has resulted from the subsidies;
Provide policy direction to the municipality's IDP's and financial planning instruments;
Establish the process to set targets (milestones) for the rollout of free basic services to the entire indigent population within the municipal area;
and Identify the linkages between the various poverty alleviation programmes that will result in the indigent moving away from the poverty trap.

T 3.6.1

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R 1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2022/23	53 480	53 480	1 759	3%	40 591	76%	7 968	15%	1 355	3%
2023/24	63 303	63 303	48 591	77%	2 488	4%	8574	14%	2 488	4%
2024/25	63 303	63 303								

T 3.6.3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality has a self-managing indigent support system where indigent residents decide for themselves whether they will be able to manage with only a 20-amp electricity supply. The number of residents on the indigent register decreased, during the year under review, mainly due to the data cleansing of the indigent register.

T 3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes roads and waste water (stormwater drainage).

3.7 ROADS

INTRODUCTION TO ROADS

The Road and Storm water section is mainly responsible for maintenance and upgrading of existing roads infrastructure (gravel and surfaced), bridges, and storm water drainage system in the entire Municipality. The maintenance involves activities such as blading, patching of potholes, construction of concrete water channels, laying of kerbs, and re-gravelling in trying to elongate the lifespan of the road infrastructure and also create conducive and safely infrastructure for users.

Currently the Municipality has a total road network of about 649km of which 81% are considered as gravel roads, and most of the gravel roads are at the worsen situation and located on the rural areas of the municipality as some are bladed to pipeline and eroded due to heavy rainfall.

Mandate and Responsibility

To ensure the entire road network of council is on the acceptable standard to all road users.

T 3.7.1

Gravel Road Infrastructure Kilometers				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2022/23	528	0	3.2	553
2023/24	528	0	2.5	779.11
2024/25	528	0	2.5	558
				T 3.7.2

Tarred Road Infrastructure Kilometers					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2022/23	128	3.2	0	9 203,37m2	0
2023/24	131	2.5	19 990m2	19 990m2	0
2024/25	133.5	2.5	153 715m2	153 715m2	1 200m2
					T 3.7.3

Cost of Construction/Maintenance R' 000						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2022/23	0	0	1 200km	0	0	0
2023/24	0	0	779.11km	0	19 990.00m2	3 009.09m2
2024/25			R 1 500 000		0	R1 000 000
						T 3.7.4

Road Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basics services	Number of kilometres of gravel roads maintained	543	553,72	543	779,11	543	593
	Number of square meters of tarred roads potholes repaired	1 500	2 699,65	3000	3009,09	3000	3908.48
	Number of square meters of resealing tarred roads through the support by GSDM	2 000	9 203,37	5000	19990	10000	153715
	Number of foot bridges constructed.	3	3	4	5	8	11
	Number of vehicle bridges repaired.	2	4	2	6	3	5
	Number of Speed humps constructed on existing paved roads	16	16	10	12	10	13

Employees: Road Services					
Job Level	Year – 2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	4	5	4	1	20%
7 - 9	0	0	0	0	0%
10 - 12	5	5	5	0	0%
16 - 18	13	15	13	2	13%
Total	23	26	23	3	12%
.					*T 3.7.7*

Financial Performance 2023/24: Road Services R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	95	84	75	84	0%
Expenditure:					
Employees	248	260	276	276	6%
Repairs and Maintenance	248	260	276	276	6%
Other	248	260	276	276	6%
Total Operational Expenditure	744	781	828	828	6%
Net Operational Expenditure	649	697	753	744	6%
					T 3.7.8

Capital Expenditure 2024/25: Road Services R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	38 367 350	0	37 035342.07	+3.5%	
Construction of Carolina Collector Access Road	R 7,613,650.00		R 8,734,872.97		R 56,247,381.12
Construction of Dundonald Collector Access Road	R 6,500,000.00		R 5,032,299.48		R 56,740,779.20
Construction of Fernie Collector Access Roads	R 8,500,000.00		R 8,500,000.00		R 56,740,779.20
Construction of Nhlazatshe 2 Collector Access Road	R 8,753,700.00		R 8,525,395.73		R 56,247,381.12
Construction of Nhlazatshe 4 Collector Access Road	R 7,000,000.00		R 6,262,665.89		R 56,247,381.12
					T 3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

The Section succeeded on the following.

- Created at least 3900 job opportunities through the EPWP and CWDP.
- Spent 100% of the EPWP grant.
- At least 13 Speed humps were constructed
- Repaired an area of 3908.48m² surfaces of most municipal roads
- Resealed 153 715m2 tarred municipal roads
- Attend at least 593km of gravel roads through blading.

T 3.7.10

3.8 TRANSPORT

INTRODUCTION TO TRANSPORT

The Municipality does not have a rapid transport system due to its size and geographical location.

T 3.8.1

3.9 STORMWATER DRAINAGE

INTRODUCTION TO STORMWATER DRAINAGE

The Municipality did not construct any storm water systems during the year under review.

T 3.9.1

Chapter 3

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

Planning:
This includes all activities related to the formulation, monitoring, implementation, evaluation and review of strategic plans for the entire Municipality. It also includes processing of application to local land use planning and development.

Local Economic Development (LED):
is a multi-faceted and multi-sectoral process that combines and inspire the skills, resources and partnerships between local stakeholders to respond innovatively in the creation of job opportunities and the alleviation of poverty.

T 3.10

3.10 PLANNING

INTRODUCTION TO PLANNING

Amongst others the following are the key deliverables of development planning:
• To coordinate the planning, adoption and review of the District Integrated Development Plan (IDP).
• To develop, manage and regulate the built and natural environment through the implementation and review of the land use management system, the implementation of statutory planning legislation and maintenance of planning procedures in order to ensure a sustainable built environment for the District.
• To lead, manage and direct sustainable urban growth and spatial transformation through the preparation and implementation of short-, medium- and long-term spatial plans.

T 3.10.1

Detail	Applications for Land Use Development								Building plans	
	Category 1 Land Use Application Formalisation of Townships &Establishment of Township		Category 2 Land Use Application (Rezoning, Consolidation; subdivision; Special Consent)		Land use applications		Built Environment- Building Plans			
	2022/23	2023/24	2022/23	2023/24	Completed applications for 2022/23	Completed applications for 2023/24	2022/23	2023/24	Completed applications 2022/2023	Completed applications 2023/2024
Planning application received	1		11		Consolidation – portion 2 & 3 Erf 751 Carolina Subdivision – RE Hartebeeskop 3. Permanent departure – Erf 24 Carolina Consolidation – RE/3 of Erf 482 Carolina 5. Subdivision Erf 482 Carolina 6. Special consent – Ptn 1 fam Goedehoop 7. Rezoning – RE 311 Carolina	1. Consolidation Erf 47 & 48 Vygeboom Country Estate 2. Subdivision Erven 124,90,122,123 Carolina Permanent Closure Brink Street 4. Special consent Ptn 29 farm Avontuur 5. Special consent - Erf 8 Carolina 6. Rezoning – Erf 840 Carolina 7. Rezoning - Erf 12 Carolina	23	48	1.Erf 5 Mpisikazi 2. Portion 2 of erf 737 Carolina 3.Erf 764 (Padkamp) Carolina 4. Portion 29 of farm Avontuur 5. Erf 426 Elukwatini-A	1.Erf 29 Vygeboom County Estate 2. erf 39 Vygeboom County Estate 3. Farm Fairview 768-IT 4. Stand 237 Vlakplaas 5. Portion 16 of the farm Naudesbank 172-IS RE/ portion 3 of the farm Dundonald 210-IT (E1147) 6. Portion 1 of erf 392 Carolina 7. erf 722 Carolina 8. Portion 4 of the farm Goedeverwachting 57-IT 9. Stand 324 Diepdale 10. RE/ erf 428 Carolina 11. portion 4 of erf 706 Carolina 12. portion 1 of erf 407 Carolina 13. erf 8 Carolina 14. RE of the farm Theespruit 156-IT 15. Erf 5 Mpisikazi (Mr Price) 16. Portion 44 of farm Avontuur 725-IT
Determination made in year of receipt	All still in progress		1				4	19		
Determination made in following year	2		8				None	None		
Applications withdrawn	None		None				None	None		
Applications outstanding at year end	2		12				19	29		

T 3.10.2

Planning Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
Spatial Transformation	Number of studies conducted for the establishment of cemeteries.	1	1	1	1	1	2
	Number of studies conducted for township formalization.	1	3	1	1	1	1
	Number of studies conducted for township establishment.	1	1	1	1	1	1
To Ensure the regulation of land use and development management	Percentage of land use and development applications processed within the legislated timeframe	100%	100%	100%	100%	100%	100%
	Percentage of building plans processed within the legislated timeframe	100%	100%	100%	100%	100%	100%

Employees: Planning Services					
Job Level	Year – 2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	2	2	3	0	0%
Total	5	5	6	0	0%
					T 3.10.4

Financial Performance 2023/24: Planning Services R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	248	260	276	276	6%
Repairs and Maintenance	248	260	276	276	6%
Other	248	260	276	276	6%
Total Operational Expenditure	744	781	828	828	6%
Net Operational Expenditure	744	781	828	828	6%
					T 3.10.5

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

Eleven (7) land use applications were received during the year under review and (16) building plans applications were received for approval.

T 3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Local Economic Development (LED) is an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area.

As a programme, LED is intended to maximize the economic potential of all municipal localities throughout the country and, to enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development. The "local" in economic development points to the fact that the political jurisdiction at a local level is often the most appropriate place for economic intervention as it carries alongside it the accountability and legitimacy of a democratically elected body.

T 3.11.1

Economic Activity by Sector

R '000

Sector	2022/23	2023/24	2024/25
Agric, forestry and fishing	3	3	3
Mining and quarrying	12	12	12
Manufacturing	2	2	2
Wholesale and retail trade	6	6	6
Finance, property, etc.	8	8	8
Govt, community and social services	11	11	11
Infrastructure services	2	2	2
Total	44	44	44

T 3.11.2

Economic Employment by Sector

Jobs

Sector	2021/22	2022/23	2023/24
Agric, forestry and fishing	30 000	-	-
Mining and quarrying	372 000	-	-
Manufacturing	270 000	-	-
Wholesale and retail trade	210 000	-	-
Finance, property, etc.	235 000	-	-
Govt, community and social services	320 000	-	-
Infrastructure services	450 000	-	-
Total	1 887 000	-	-

T 3.11.3

COMMENT ON LOCAL JOB OPPORTUNITIES

The municipality is working with private sector to change the lives of our communities on creating job opportunities. Though LED section we create jobs by supporting SMME's and Cooperatives

T 3.11.4

Jobs Created during 2024/25 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	**Jobs created No.**	**Jobs lost/displaced by other initiatives No.**	**Net total jobs created in year No.**	**Method of validating jobs created/lost**
Total (all initiatives)				
Year: 2022/23	31	0	31	Employee list from Cooperatives
Year: 2023/24	23	0	23	Employee list from Cooperatives
Year: 2024/25				
T 3.11.5				

Job creation through EPWP* projects		
Details	**EPWP Projects No.**	**Jobs created through EPWP projects No.**
2021/22	66	282
2022/23	23	260
2024/25	29	760
T 3.11.6		

Local Economic Development Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure sustainable Local Economic Development	Number of led strategy projects monitored.	N/A – New KPI	N/A – New KPI	2	0	2	2
	Number of co-operatives offered support.	12	23	20	23	20	23
	Number of tourism awareness campaigns conducted.	4	14	4	5	4	5
	Number of led related forums/meeting coordinated.	4	4	4	4	4	5
	Host Investment Initiatives	1	1	1	1	1	1

Employees: Local Economic Development Services					
Job Level	Year – 2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	4	4	4	0	0%
Total	5	5	5	0	0%
					T 3.11.8

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

EPWP and CWP have contributed positively to maintaining a safety net for the poor communities and alleviating poverty where it matters the most. About 3900 full-time equivalent jobs were created through economic and public sector initiatives while the CWP has maintained the training of all the participants.

T 3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY SAFETY SERVICES

This department's core objectives included the provision of waste management and cleaning services, horticulture and maintenance of parks, cemetery services, library services, development of sport, arts, culture, and recreational facilities, empowerment of youth, women, and people with disabilities, HIV/AIDS, environmental health, and general community development activities.

T 3.12

3.12 LIBRARIES

INTRODUCTION TO LIBRARIES

This service was achieved through seven (7) operational libraries stationed at Emanzana, Carolina, Ekulindeni, Elukwatini, Empuluzi, Z.M. Mkhwanazi and Silobela. These libraries are open from Monday to Friday from 08:00 to 16:00 and had books for most tastes and ages.

The libraries were all connected to the internet. Whilst most schools were rural, the Department was also responsible for the promotion of the few libraries that were available near those schools. This also encouraged a culture of reading around those local communities. As a result, several campaigns were conducted. The Municipality hoped that the Department of Sports, Arts and Culture would also assist with staffing the libraries, and extending the hours of operation, particularly on weekends, so that those who could not access the library during working hours might be able to do so on weekends.

T 3.12.1

SERVICE STATISTICS FOR LIBRARIES

The Municipality did not plan capital projects related to libraries, archives, museums, galleries, and community facilities etc. The municipality tabled the building of Carolina and eManzana Library construction to DCSR.

T 3.12.2

Libraries Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basics services	Number of library awareness programmes implemented.	30	33	28	32	28	37

Employees: Libraries					
Job Level	Year – 2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	5	5	5	0	0%
Total	6	6	6	0	0%
					T 3.12.4

COMMENT ON THE PERFORMANCE OF LIBRARIES OVERALL

The library and information sector are striving to provide quality and resourceful information to the community at large. The aim is to assist in alleviating poverty by educating and developing the community and to bring out the best out of the community. The programs that are rendered to schools, campaigns and proper collection development based on the needs of the users, all these endeavours, are ways and methods of improving the lives of Chief Albert Community.

On going research is done to be abreast with technology and any other related developments. In the 2024/2025 financial year, there has been an increase in the number of people visiting the library and making use of library facilities in the municipal area.

T 3.12.7

3.13 CEMETERIES AND CREMATORIUMS

INTRODUCTION TO CEMETERIES

The Department was responsible for the provision of graves for burials to the communities in six (6) municipal cemeteries. The Department also did maintenance on these cemeteries. Fencing, toilets, and the availability of water were some of the challenges that were faced in relation to cemeteries. Where those had been installed, they were vandalised and stolen in no time. There was also a challenge with the maintenance of the cemeteries under tribal authorities. However, graves were available in all Municipal cemeteries for needy community members to bury their loved ones.

Challenges Whilst the Municipality had more than 21 settlements, it could provide graves to only the above-mentioned ones; the other big settlements in all the 25 wards of the Municipality were not catered for. This is expected to have serious consequences in the future in terms of environmental impact.

The conditions listed below are stipulated by regulations and may not be followed in more than 80% of those areas that were within the jurisdiction of the Municipality. This may pose a challenge in the future. (1) No land or site shall be identified and used for the purpose of a burial site unless environmental authorisation has been granted in terms of the National Environmental Management Act, 1998 (Act 107 of 1998) (NEMA), and the Environmental Impact Assessment Regulations, R.543 of 18 June 2010, as amended (EIA Regulations). In the case of private burial sites, a local government has conducted a land survey, and the necessary approval has been granted; such approval must be in writing and should contain such conditions for use as the availability of waste management and ablution facilities, which shall include access to potable water, and sanitation facilities

2) All burial sites must comply with the following environmental requirements: (a) be located outside the 100-year floodplain; (b) be located at least 350m from ground water sources used for drinking purposes and at least 500m from the nearest habitable building; (c) for a preferred burial site with a soil of sand-clay mix of low porosity and a small and fine-grain texture, the water table should be at least 2.5m deep in order to allow for traditional grave depth of six feet (1.8m); (d) for areas with higher water tables, the local government may determine a reasonable depth with additional walling recommendations to protect underground water; and (e) the covering soil shall not be less than 1m, should two bodies be buried in the same grave, 300mm of soil shall be maintained between the coffins.

T 3.13.1

SERVICE STATISTICS FOR CEMETERIES & CREMATORIUMS

There were no new cemeteries established during the year under review due to budget constraints. All six (6) cemeteries were maintained throughout the year with the expansion of the Ekulindeni Cemetery.

T 3.13.2

Employees: Cemeteries

Job Level	Year – 2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	2	1	1	50%
16 - 18	11	12	11	1	8%
Total	14	16	14	2	13%

T 3.13.4

COMMENT ON THE PERFORMANCE OF CEMETERIES OVERALL

There were no new cemeteries established during the year under review due to budget constraints. All six (6) cemeteries were maintained throughout the year with the expansion of the Ekulindeni Cemetery.

T 3.13.7

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILDCARE; AGED CARE; SOCIAL PROGRAMMES

The Municipality did not have childcare or aged care programmes during the year under review.

T 3.14.1

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The Municipality does not have programs relating to pollution control, biodiversity, and landscape and coastal protection due to its size and geographical location. However, the Municipality did have a program relating to testing of water quality in order to comply with the relevant laws and regulations.

T 3.14

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

The Municipality does not have programmes relating to pollution control due to its size and geographical location. However, the Municipality did have a programme relating to testing of water quality in order to comply with relevant laws and regulations.

T 3.15.1

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

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The Municipality does not have bio-diversity, landscape and other coastal protections due to its size and geographical location

T 3.16.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

The Municipality does not have bio-diversity, landscape and other coastal protections due to its size and geographical location

T 3.16.2

Chapter 3

COMPONENT F: HEALTH

This component includes clinics, ambulance services, and health inspections.

INTRODUCTION TO HEALTH

The municipality does not provide clinics and ambulance services as these services are provided by the Department of Health. However, the Municipality did provide for the health services as discussed below.

T 3.17

3.17 CLINICS

INTRODUCTION TO CLINICS

During the year under review, the Municipality conducted HIV and AIDS campaigns, as well as Occupational Health and Safety forums.

T 3.17.1

3.18 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

Ambulance services are provided by the Department of Health.

T 3.18.1

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

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

The Municipality does not have Health Inspections, and Food and Abattoir Licencing services due to its size and geographic location.

T 3.19.1

Chapter 3

COMPONENT G: SECURITY AND SAFETY

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

INTRODUCTION TO SECURITY & SAFETY

The Municipality has a Community and Safety department, as well as an Environmental Protection department residing under the Community Services cluster.

T 3.20

3.20 TRAFFIC LAW ENFORCEMENT:

INTRODUCTION TO TRAFFIC LAW ENFORCEMENT

Traffic law enforcement: during the year 2024/2025 we managed to improve on Law enforcement officer visibility on all areas and increase Municipality's income through traffic summons and conducted more operations (warrant of arrest operations). We have set targets that we want to achieve and linked them to their KPA's, and we monitor those targets on daily basis.

T 3.20.1

Traffic law enforcement					
	Details	2024/25	2022/23		2024/25
		Actual no.	Estimate No.	Actual no.	Estimate No.
1.	Number of road traffic accidents during the year	141	0	782	700
2.	Number of by-law infringements attended	0	0	0	0
3.	Number of Police officers in the field on an average day	11	11	11	11
4.	Number of police officers on duty on average day	12	12	12	12

T 3.20.2

Traffic law enforcement Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basics services	Number of traffic law enforcement programmes implemented.	10	17	9	14	12	13
	Number of traffic fines issued.	1 200	2 416	7 200	7 244	7 200	6 455
	Revenue collected through issued traffic infringements summons.	182 500	1 816 052	60%	22%	1300000	1420313.40

Employees: Traffic Officers					
Job Level	Year -2023/24	2024/25			
Administrators	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	12	12	12	0	0%
10 - 12	3	3	3	0	0%
Total	19	19	19	0	0%
					T 3.20.4

COMMENT ON THE PERFORMANCE OF TRAFFIC OVERALL

The Department has done well on number of key performance indicators; 6 455 traffic fines were issued. 13 awareness were conducted where our road users were educated and reminded f rules of the road. A total amount of R1 420 313.40 was collected on traffic fines issued.

T 3.20.7

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

FIRE BRIGADE SERVICES ACT NO. 99 OF 1987

To provide for the establishment, maintenance, employment, co-ordination and standardization of fire brigade services; and for matters connected therewith.

"service" means a fire brigade service intended to be employed for—

(a) preventing the outbreak or spread of a fire;
(b) fighting or extinguishing a fire;
(c) the protection of life or property against a fire or other threatening danger;
(d) the rescue of life or property from a fire or other danger;
(e) subject to the provisions of the Health Act, 1977 (Act No. 63 of 1977), the rendering of an ambulance service as an integral part of the fire brigade service; or
(f) the performance of any other function connected with any of the matters referred to in paragraphs *(a)* to *(e)*.

2. In terms of Schedule 4, Part B of the Constitution, firefighting services is a local government matter and a functional area of concurrent national and provincial legislative competence

3. This Act shall apply in the national territory referred to in section 1 of the said Constitution.
[Sub-s. (2) added by Proclamation No. R.153 of 1994.]

4. Fire services play a pivotal role in reducing the vulnerability of these developments to anthropogenic hazards such as fires, thereby contributing to building the resilience of the municipality economy.

The Fire and Rescue & Disaster Management Directorate is responsible for the establishment and maintaining institutional Fire and Rescue/Disaster management capacity by implementing effective risk reduction activities. The service must be always prepared to respond to Fire and Rescue incidents/ disasters and coordinate disaster recovery and rehabilitation after the incidents happened. In alignment with the Integrated Development Plan and Service Delivery and Budget Implementation Plan, the department conducts fire safety & prevention/disaster management awareness to build a resilient Communities. The disaster/fire incidents reported must be attended within 24 hours. – If there are numerous Disaster incidents- Fire and Rescue Services are call in to assist with assessment of disaster incidents. Based on the number of disasters happening in our municipality – the department is in the processes to appoint one additional Disaster Management Coordinator in the new financial year to assist at Elukwatini and Greater Empuluzi Areas. The department is also in the process to decentralise emergency services to other areas within Chief Albert Luthuli to shorten response time as stipulated in SANS 10090- Community Protection Against Fires. other areas.

T 3.21.1

Municipal Fire Service Data					
	Details	2022/23	2023/24	2024/25	
		Actual	Actual No.	Estimate No.	Actual No.
1	Total fires attended in the year	384	338	338	335
2	Total of other incidents attended in the year	100	338	338	335
3	Average turnout time - urban areas	15 minutes	15 minutes	15 minutes	15 minutes
4	Average turnout time - rural areas	45 minutes	45 minutes	45 minutes	45 minutes
5	Fire fighters in post at year end	12	10	10	13
6	Total fire appliances at year end	5	5	5	5
7	Average number of appliances off the road during the year	8	8	8	8

T 3.21.2

Response time is calculated from the time of incident reported or time of call to the actual time of response by CALM fire services section.

T 3.21.2.1

Fire Service Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basics services	% of Fire and Rescue incidents reported and attended	100%	100%	100%	100%	100%	100%
	Number of Fire Safety Inspection conducted	N/A - New KPI	N/A - New KPI	60,00	147,00	80	231
	Number of Fire Safety Awareness conducted	N/A - New KPI	N/A - New KPI	20,00	22,00	20	26

Employees: Fire Services					
Job Level	Year – 2023/24	2024/25			
Fire Fighters / Administrators	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	8	8	11	0	0%
Total	11	11	14	0	0%
					T 3.21.4

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL

All fire incidents reported were 100% attended by Fire unit

T 3.21.7

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

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

In terms of the disaster management Act, 200 2(No 57 of 2002) as amended Act, 16 of 2015) provides an integrated and co-ordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery and rehabilitation.

The main function of this section is to assist in terms of:

- Disaster planning
- Risk assessment
- Awareness programs
- Consultation with stakeholders
- Application of the Disaster Framework

Mitigation Process

The Disaster Management Cycle refers to the organization and management of resources before, during and after a disaster. There are four phases to the process and act of disaster management: preparation, response, recovery, and mitigation. Chief Albert Municipality is aimed to effectively and economically to deploy of all the resources in their disposal for the benefit and protection of citizens and their property during major incidents. Currently, the municipality has limited resources and budget; however, the District and Provincial Disaster Management Centre assist when the need arises. The municipality is using social media, and local radio stations to disseminate information to the members of community if there is a warning of disaster that can occur from South African Weather Services (SAWS) as an early warning system.

The Municipality is taking an ambitious collective action to reduce disaster risk and build resilience as humanity has never faced such an array of both familiar and unfamiliar risks, that due to globalisation and climate change, is hyper connected

T 3.22.1

Disaster Management Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure provision of basics services	Number of disaster management awareness campaigns conducted.	14	25	8	8	8	8
	Percentage of disaster incidents reported and attended within 24 hours	N/A - New KPI	N/A - New KPI	100%	100%	100%	

Employees: Disaster Management					
Job Level	Year: 2023/24	Year: 2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	50%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	33%
T 3.22.4					

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT

There were 8 awareness that were conducted on disaster. 100% of incidents reported were attended.

T 3.22.7

COMPONENT H: SPORT AND RECREATION

3.23 SPORT AND RECREATION

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

INTRODUCTION TO SPORT AND RECREATION

The Department is responsible for sport, recreation, art, and culture in the Municipality. The strategic objectives included the promotion of sport and culture development in communities, coordination of sport and cultural events, mobilization of and canvassing support for sport and culture from the private sector, and the provision and maintenance of sport facilities. Various sports activities were coordinated by the Municipality. Those included art and culture festivals, a regional boxing tournament, Workers' Day and Youth Day games. Local sport development structures were coordinated and supported. The Department is responsible for sport, recreation, art, and culture in the Municipality. The strategic objectives included the promotion of sport and culture development in communities, coordination of sport and cultural events, mobilization of and canvassing support for sport and culture from the private sector, and the provision and maintenance of sport facilities. Various sports activities were coordinated by the Municipality. Those included art and culture festivals, a regional boxing tournament, Workers' Day and Youth Day games. Local sport development structures were coordinated and supported. The provision of sports facilities remained a challenge, mainly due to the fact that there were few sports grounds in the Municipality that were in good condition of sports facilities remained a challenge, mainly due to the fact that there were few sports grounds in the Municipality that were in good condition.

T 3.23

Employees: Sport and Recreation					
Job Level	Year - 2023/24	2024/25			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	0	0%
Total	2	2	2	0	0%
.					*T 3.23.3*

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

All policies have to serve at Council and procedure manuals at Management Committees for their endorsement. Other working documents are approved at the department level depending on the effects and the extent thereof. Most of the policies and guiding documents are in the following departments: Finance, Human Capital Management, and Information Communication Technology, with Council having by-laws.

T 3.24

3.24 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

The executive is composed of the Executive Mayor, who is elected by other councillors during the first council sitting. The Executive Mayor then appoints MMCs from amongst the members of Council. In addition to the Executive Mayor, the executive comprises the councillors and the MM. They assist the Executive Mayor in executing his duties.

The Municipal Council has 25 ward councillors and 49 councillors. The MEC for CoGTA, the Honorable Mr. Speedy Mashilo, designated full-time councillors, being the Executive Mayor, three Members of the Mayoral Committee, the Speaker of Council, and the Council Whip. For Council to take a decision, it needs a simple majority, where the meeting forms a quorum i.e. 50% of councillors plus one councillor.

T 3.24.1

The Executive and Council Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
Improved governance and administration	# of Mayoral Imbizo's held	2	2	4	3	4	4

Employees: The Executive and Council					
Job Level	Year - 2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0%
4 - 6	11	13	11	2	15%
7 - 9	1	1	1	0	0%
10 - 12	0	1	0	1	100%
Total	15	18	15	3	17%
					T 3.24.4

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Four Mayoral Imbizo's were held during the financial year.

T 3.24.7

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The directorate is responsible for budgeting and accounting, expenditure and revenue management, and maintenance of the financial system. Financial management strategies are essential to guide the Municipality to maximise the available financial resources to ensure long term financial viability through the following strategies:

- Manage revenue, expenditure, assets, and liabilities in a responsible manner
- A well-thought-out budget and financial planning processes align with budget and reporting regulations.
- Effective SCM.
- Effective cash flow management.

T 3.25.1

Employees: Financial Services					
Job Level	Year – 2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	6	6	0	0%
4 - 6	28	27	25	2	7%
7 - 9	14	13	12	1	8%
10 - 12	7	7	7	0	0%
Total	54	53	50	3	6%

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

The Financial Services Department did not have capital projects during the year under review

T 3.25.7

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

This section dealt with the general administration of all human resource issues and matters, including the administration of human resources, leave management, and the transaction of all the labour-related legislation, policies, and by-laws. It also oversaw the implementation of all the basic conditions of employment and the monitoring of compliance therewith.

This section was also charged with the responsibility of ensuring employee wellness and the implementation of employee discipline. Corrective steps were instituted against unacceptable behaviour, and various disciplinary procedures were instituted against a few of the employees who were delinquent.

The number of people from the employment equity target groups were employed in the three highest levels of management in compliance with the Municipality's approved employment equity plan. As such, the three highest positions were 100% occupied by the previously disadvantaged group.

Skills Development

This focus area is in response to one of the prescribed key performance indicators in terms of the Municipal Performance Management Regulations of 2001. All municipalities are obliged to report on progress in the building skills capacity to deliver according to the developmental mandate.

T 3.26.1

Human Resources Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
Improve institutional performance	Percentage of critical positions filled.	100%	100%	100%	100%	100%	67%
	% of employees from previously disadvantaged groups appointed in the highest levels of management as per the approved EE plan by 30 June 2024 (GKPI)	85%	100%	85%	100%	85%	100%
	Percentage of staff turnover rate	<5%	<5%	5%	0%	5%	1%
	Submission of Employment Equity Report to the Department of Labour	1	1	1	1	1	1
	Review and approval of CALM organisational structure (Annual)	1	1	1	1	1	1
	% of new appointees attending induction training	N/A	N/A	100%	100%	100%	100%
	% of allocated budget spent on implementing the Workplace Skills Plan (GKPI) by 30 June 2024	100%	14%	90%	27,50%	90%	98%
	Number of Local Labour Forum meetings held	10	10	8	9	8	10
	Approved Workplace Skills Plan and Annual Training Report submitted to LG SETA on or before 30 April 2024	1	1	1	1	1	1

	% of staff trained against internal training plan by 30 June 2024	25	10	90%	92%	90%	67%
	Number of Workshops, seminars and conferences held to ensure that Councillors are informed and trained on Local Government trends.	6	6	8	8	8	8
	Number of information Sharing conducted on Skills audit	N/A	N/A	10	6	10	10
	Number of monthly Occupational Health and Safety (OHS) reports submitted to the Office of the Municipal Manager	10	1	4	4	4	4
	Number of quarterly health and safety inspections and awareness's conducted.	4	4	4	6	4	9
	Number of employee wellness programmes conducted.	4	13	4	8	8	16

Employees: Human Resource Services					
Job Level	Year - 2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	4	4	4	0	0%
7 - 9	3	3	3	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
Total	8	8	8	0	0%
					T 3.26.4

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

The department did not have capital projects during the year under review.

T 3.26.7

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This section is responsible for the Information and Communication Technology, as well as the IT Governance of the Municipality in order to ensure that the IT wellbeing of the Municipality is secured, and that the integrity of the information is also protected. It ensures effective communication within the organisation and between the Municipality and other stakeholders.

T 3.27.1

ICT Services Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
Improved ICT governance	Percentage availability IT system infrastructure	N/A	N/A	98%	98%	98%	98%
	Number of quarterly ICT Steering Committee meetings held	N/A	N/A	4	4	4	4
	Number of ICT Security Reports submitted to Oversight Committee	N/A	N/A	4	4	4	4

Employees: ICT Services					
Job Level	Year 2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	1	1	1	0	0%
10 - 12	5	5	5	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	9	9	9	0	0%
					T 3.27.4

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

ICT did not have a capital project during the year under review.

T 3.27.7

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

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

INTRODUCTION TO PROPERTY, LEGAL, RISK MANAGEMENT, AND PROCUREMENT SERVICES

In terms of Section 62(i)(c) of the MFMA (2003), a municipality must have and maintain an effective, efficient and transparent system of risk management; and the municipal manager is responsible for managing the municipality's financial administration. For this purpose, the municipal manager must take all responsible steps to ensure, amongst others, that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management, and control of internal audit operating in accordance with any prescribed norms and standards.

In order to give effect to the above, the municipal manager established the Risk Management Committee of the Municipality. Risk management is an important aspect of all our lives. We are exposed to risk both in terms of threats to service provision and the potential for lost opportunities. It was essential that we demonstrate to our citizens that we fully consider the implications of risk as we deliver our business for the benefit of the residents of our community

The risk management process is designed to support members and officials in ensuring that the Municipality is able to fully discharge its risk management responsibilities in a consistent manner. The Municipality had a Risk Management Strategy that outlined the objectives, benefits, and approach to the process to ensure that risks, both positive and negative, were successfully managed.

Risk management in The Municipality was about improving our ability to deliver outcomes for the community by managing our threats, enhancing our opportunities, and creating an environment that added value to ongoing activities.

Risk management was a key part of corporate governance. Corporate governance was the way an organisation managed its business, determined its strategy, and went about achieving its objectives. Good risk management would help identify and deal with key corporate risks facing the organisation in the pursuit of its goals and is a key part of good management, and not simply a compliance exercise.

T 3.28.1

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP							
Service Objectives	**Outline Service Targets**	**2022/23**		**2023/24**		**2024/25**	
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Service Indicators		***Previous Year**	***Previous Year**	***Previous Year**	***Previous Year**	***Current Year**	***Current Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vii)**	**(viii)**	**(ix)**
Service Objective							
To ensure good governance	Number of risk assessment workshop conducted by 30 June 2024	2	2	2	7	2	2
	Reviewed and approved Strategic Risk Register by 30 June 2024	N/A	N/A	1	1	1	1
To ensure effective governance in the administration of the institution	Establish Municipal Court	N/A	N/A	1	0	1	0
	Monthly reports on legal matters submitted to CS Portfolio Committee meeting	N/A	N/A	12	10	12	11

Employees: Legal; Risk Management.					
Job Level	Year: 2023/24	Year: 2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0%
4 - 6	2	4	2	0	50%
7 - 9	3	3	3	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	7	9	7	0	22%
					T 3.28.4

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL

The respective departments discussed above did not have capital projects during the year under review.

T 3.28.7

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

The Municipality does not have airports, abattoirs and municipal entities.

T 3.29.0

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes Audited Annual Performance Scorecard Report for the current year.

Chief Albert Luthuli Municipality

Annual Performance Report Addendums

June 2025

Community & Safety Services – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Basic Service Delivery and Infrastructure Development								
Waste Management	2.1	Number of supplied refuse bins to billable households	1) 312 refuse bins were distributed to households during the period January 2025 to March 2025 2) 290 refuse bins were distributed to households during the period April 2025 to June 2025 Total: 312 + 290 = 602	A) Reason for Overachieving Target Two household bin were provided to the community members in urgent need, directly from our office, as a gesture of support. B) Corrective Action: None	501,00	600,00	602,00	3,02
Waste Management	2.2	Number of inspections to be conducted on each of the 5 disposal sites	Disposal sites inspected: July 2024: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) August 2024: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) September 2024: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) October 2024: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1)	N/A - Target achieved	5,00	60,00	60,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			November 2024: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) December 2024: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) January 2025: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) February 2025: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) March 2025: 5 Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1) April 2025: 5 Carolina (1),Manzana (1),Ekulindeni (1),Empuluzi (1),Elukwatini (1) May 2025: 5 Carolina (1),Manzana (1),Ekulindeni (1),Empuluzi (1),Elukwatini (1) June 2025: 5 Carolina (1),Manzana (1),Ekulindeni (1),Empuluzi (1),Elukwatini (1) Total = 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 = 60					
Waste Management	2.2.1	Percentage of waste management service	**"Numerator: 895** July 2024 (Week 1 to Week 5) - 80 August 2024 (Week 1 to Week 4) - 68 September 2024 (Week 1 to Week 5) - 71 October 2024 (Week 1 to Week 5) - 78	**A) Reason for not Achieving Target/Current Challenges:**	86%	100,00%	99%	2,97

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
		rendered on 6 areas	November 2024 (Week 1 to Week 4) - 72 December 2024 (Week 1 to Week 5) - 70 January 2025 (Week 1 to Week 5) - 80 February 2025 (Week 1 to Week 5) - 70 March 2025 (Week 1 to Week 5) - 75 April 2025 (Week 1 to Week 5) - 76 May 2025 (Week 1 to Week 5) - 79 June 2025 (Week 1 to Week 5) - 76 Total: 80 + 68 + 71 + 78 + 72 + 70 + 80 + 70 + 75 + 76 + 79 + 76 = 895 **Denominator: 896** July 2024 (Week 1 to Week 5) - 80 August 2024 (Week 1 to Week 4) - 68 September 2024 (Week 1 to Week 5) - 71 October 2024 (Week 1 to Week 5) - 78 November 2024 (Week 1 to Week 4) - 72 December 2024 (Week 1 to Week 5) - 70 January 2025 (Week 1 to Week 5) - 81 February 2025 (Week 1 to Week 5) - 70 December 2024 (Week 1 to Week 5) - 75 April 2025 (Week 1 to Week 5) - 76 May 2025 (Week 1 to Week 5) - 79 June 2025 (Week 1 to Week 5) - 76 Total: 80 + 68 + 71 + 78 + 72 + 70 + 81 + 70 + 75 + 76 + 79 + 76 = 896 Calculations: 895/896 = 99.9%"	Waste collection did not take place on the 1st of January as it was a public holiday (New Year's Day). **B) Corrective Action**: New Year's Day (1st of January) will be excluded from the weekly waste collection schedule in future planning.				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Waste Management	2.2.2	Number of Environmental awareness campaigns held	**The following environmental awareness campaigns were held**: 1) Mandela Day Celebration Clean-up campaign held 16 July 2024 at Ntababovu Primary School 2) Environmental Cleanliness March Awareness campaign held 23 July 2024 at Silobela/Carolina 3) Clean-up campaign held 13 August 2024 at Elukwatini Unit 4) Clean-up campaign held 14 August 2024 at Ekulindeni Unit Mooiplaas 5) Clean-up campaign held 13 November 2024 at Carolina 6) Clean-up campaign held 10 December 2024 at Ekulindeni Unit 7) Clean-up campaign held 14 January 2025 at Diepdale 8) Environmental Cleanliness campaign held 26 February 2025 at Carolina Town 9) Clean-up campaign held 03 March 2025 at Etinkulungwane Community Hall 10) Clean-up campaign held 08 April 2025 at Redhill 11) Clean-up campaign held 12 June 2025 at Ward 08, Oshoek	**A) Reason for Overachieving Target:** When conducting environmental inspection around municipal areas problematic illegal dumps were identified therefore the section saw the need of conducting environmental awareness that led to overachieved. **B) Corrective Action:** None	7	8,00	11,00	4,13
Library Management	2.3	Number of Library awareness campaign conducted	**The following Library awareness campaigns were conducted:** 1) 17 July 2024 at ULwazi Special Development Centre 2) 17 July 2024 at Happy Kids Day Care 3) 18 July 2024 at Khululwazi Public Library	**A) Reason for Overachieving Target:** Request from day care centre **B) Corrective Action:**	32,00	28,00	37,00	3,96

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			4) 30 July 2024 at Lindo Kuhle Day Care 5) 15 August 2024 at Ezenzeleni Public Library 6) 15 August 2024 at Khululwazi Public Library 7) 16 August 2024 at ZM Mkhwanazi Public Library 8) 27 August 2024 at Elukwatini Public Library 9) 12 September 2024 at ZM Mkhwanazi Public Library - Glenmore 10) 13 September 2024 at Ezenzeleni Public Library 11) 11 October 2024 at ZM Mkhwanazi Public Library 12) 15 October 2024 at Glenmore Day Care Centre 13) 15 October 2024 at Sphakamile Combine School 14) 18 October 2024 at Ezenzeleni Public Library 15) 04 November 2024 at Khanya Primary School 16) 08 November 2024 at Ezenzeleni Public Library 17) 28 November 2024 at Elukwatini Public Library 18) 02 December 2024 at Sfiso Sethu Day Care Centre 19) 04 December 2024 at Khululwazi Public Library 20) 12-20 December 2024 at Elukwatini Public Library 21) 14 January 2025 at Khululwazi Public Library	None				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			22) 16 January 2025 at Ezenzeleni Public Library 23) 29 January 2025 at Happy Kids Day Centre 24) 05 February 2025 at Thokozani Combine School 25) 07 February 2025 at Ezenzeleni Primary School 26) 11 February 2025 at Khululwazi Public Library 27) 06 March 2025 at Glenmore Day Care Centre 28) 20 March 2025 at Ezenzeleni Public Library 29) 19 March 2025 at Tsatselani Primary School 30) 10 April 2025 at ZM Mkhwanazi Public Library 31) 23 April 2025 at Carolina Combined School 32) 23 April 2025 at Khululwazi Public Library 33) 14 May 2025 at Zinikeleni Secondary School 34) 16 May 2025 at ZM Mkhwanazi Public Library 35) 04 June 2025 at Violet Jiyane Secondary School 36) 12 June 2025 at ZM Mkhwanazi Public Library 37) 25 June 2025 at ZM Mkhwanazi Public Library					
Parks	2.4	Number of parks developed in CALM	**Parks developed in CALM** 1) Park developed in Silobela next to constituency in November 2024	N/A - Target Achieved	4	2,00	2,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			2) Park developed in Dundonald next to Taxi Rank in June 2025					
Climate Change	2.5	Number of climate change mitigation awareness programs implemented by 30 June 2025	1) Climate change mitigation awareness Clean-Up Campaign) programs held 05 November 2024 at Elukwatini 2) Climate change mitigation awareness held 09 April 2025 at Elukwatini Environmental Centre 3) Climate change mitigation awareness held 13 May 2025 at Lochiel Youth Centre	A) Reason for Overachieving Target: The municipality was invited by the Environmental Centre in Elukwatini to present a slot on climate change awareness and mitigation. B) Corrective Action: None	N/A - New KPI	2,00	3,00	4,50
Air Quality Management	2.5.2	Develop Air Quality Management Plan	Numerator: 1 - Quarterly milestone achieved* * - Total number of quarterly milestones achieved: 1) Draft document completed Denominator: 3 - Total number of milestones* * - Total number of milestones applicable for reporting period: 1) Draft Document 2) Draft Document to Mayoral 3) Draft to Council	A) Reason for not Achieving Target/Current Challenges: The delay was due to the scheduled sittings of CALM and GSDM. B) Corrective Action: The matter has been presented to Top Management and the Section 80 Committee and will be submitted to the Mayoral Committee and	N/A - New KPI	1,00	0,30	1,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Calculation: 1/3 = 0.3	Council in the first quarter of the 2025/26 financial year.				
Fire Services	2.6	% of Fire and Rescue incidents reported and attended	Numerator: 355 Fire and Rescue incidents attended to during the reporting period July 2024: 63 August 2024: 30 September 2024: 42 October 2024: 20 November 2024: 30 December 2024: 24 January 2025: 20 February 2025: 21 March 2025: 16 April 2025: 32 May 2025: 28 June 2025: 29 Total: 63 + 30 + 42 + 20 + 30 + 24 + 20 + 21 + 16 + 32 + 28 + 29 = 355 Denominator: 355 Total number of Fire and Rescue incidents reported July 2024: 63 August 2024: 30 September 2024: 42 October 2024: 20 November 2024: 30	N/A - Target achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			December 2024: 24 January 2025: 20 February 2025: 21 March 2025: 16 April 2025: 32 May 2025: 28 June 2025: 29 Total: 63 + 30 + 42 + 20 + 30 + 24 + 20 + 21 + 16 + 32 + 28 + 29 = 355 Calculations: 355/355 = 100%					
Fire Services	2.6.1	Number of Fire Safety Inspection conducted	Fire Safety Inspection was conducted as follows: 1) July 2024: 18 2) August 2024: 0 3) September 2024: 10 4) October 2024: 6 5) November 2024: 48 6) December 2024: 36 7) January 2025: 4 8) February 2025: 48 9) March 2025: 16 10) April 2025: 17 11) May 2025: 11 12) June 2025: 17 Total: 18 + 0 + 10 + 6 + 48 + 36 + 4 + 48 + 16 + 17 + 11 + 17 = 231	A) Reason for Overachieving Target: The target is overachieved due to the registration of business in the municipality in accordance with the COGTA Minister. B) Corrective Action: None	147,00	80,00	231,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Fire Services	2.6.2	Number of Fire Safety Awareness conducted	**The following Fire Safety Awareness were conducted:** 1) 18 July 2024 - Fire Awareness held at Silobela Clinic 2) 19 July 2024 - Fire Awareness held at Droogvallei Rail Siding on Ontbekendt 3) 23 July 2024 - Fire Awareness held at Zenzeleni Primary School 4) 29 July 2024 - Fire Awareness and evacuation Drill held at Nkomati Mine 5) 05 August 2024 - Fire Awareness held at Nhlazatshe Clinic 6) 07 August 2024 - Fire Awareness held at Gernie Clinic 7) 16 August 2024 - Fire Awareness held at Carolina SAVF 8) 23 August 2024 - Fire Awareness held at Carolina WTW to MBE Constructer 9) 28 August 2024 - Fire Awareness held at Tjakastad Clinic 10) 04 September 2024 - Fire Awareness held at Dundonald Clinic 11) 06 September 2024 - Fire Awareness held at Tisiteni Primary School 12) 13 September 2024 - Fire Awareness(Career Day) held at Sohlazane P. School 13) 11 October 2024 - Fire Awareness(Career Dress Up Day) held at Vukani Primary School 14) 25 October 2024 - Fire Awareness(Career Day) held at Styndorp Primary School	**"A) Reason for Overachieving Target:** The Fire and Rescue Services overachieved due to the requests from the schools for career guidance and Old age home and Clinics for fire safety compliance as requested by accredited bodies. **B) Corrective Action:** None"	22,00	20,00	26,00	3,90

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			15) 25 November 2024 - Fire Awareness held at Ontbekent 16) 10 December 2024 - Evacuation Drill and Fire Awareness held at Elukwatini Home Affairs 17) 20 February 2025 - Career Guidance at Hlabangemehlo Secondary School 18) 03 March 2025 - Fire Station Visit by God's Grace Christian School at CALM Fire Station 19) 04 March 2025 - Fire Station Visit by God's Grace Christian School at CALM Fire Station 20) 04 March 2025 - Presentation on the Jaws of Life & PPE at Diepgezet Primary School 21) 05 March 2025 - Fire Station Visit by God's Grace Christian School at CALM Fire Station 22) 06 March 2025 - Fire Station Visit by God's Grace Christian School at CALM Fire Station 23) 20 March 2025 - Fire Station Visit by Little Sunflowers Preschool 24) 10 April 2025 - Fire Awareness held at Carolina Fire Station 25) 16 May 2025 - Fire Awareness held at Carolina Fire Station 26) 6 June 2025 - Fire Awareness held at Carolina Fire Station					
Provide Fire and Rescue Services	2.7	Percentage of disaster incidents reported and attended within 24 hours	"**Numerator: 164** Number of disaster incidents reported and attended to within 24 hours during the period July 2024 to June 2025 July 2024: 10 August 2024: 7 September 2024: 10 October 2024: 15	N/A - Target Achieved	100%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			November 2024: 5 December 2024: 15 January 2025: 10 February 2025: 25 March 2025: 14 April 2025: 15 May 2025: 24 June 2025: 14 Total: 10 + 7 + 10 + 15 + 5 + 15 + 10 + 25 + 14 + 15 + 24 + 14 = 164 **Denominator: 164** Total number of disaster incidents reported during the reporting period: July 2024: 10 August 2024: 7 September 2024: 10 October 2024: 15 November 2024: 5 December 2024: 15 January 2025: 10 February 2025: 25 March 2025: 14 April 2025: 15 May 2025: 24 June 2025: 14 Total: 10 + 7 + 10 + 15 + 5 + 15 + 10 + 25 + 14 + 15 + 24 + 14 = 164 Calculations: 164/164 = 100%"					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Provide Fire and Rescue Services	2.7.1	Number of disaster management awareness campaigns conducted.	**The following Disaster management awareness were conducted:** 1) Disaster management awareness campaign held 08 August 2024 at Engelsedraai Combined School 2) Disaster management awareness campaign held 23 August 2024 at Carolina Wastewater Treatment Works 3) Disaster management awareness campaign held 18 October 2024 at Sitanani Primary School 4) Disaster management awareness campaigns (IDDRR) held 15 November 2024 at Mayflower Community Hall 5) Disaster management awareness campaigns held 20 February 2025 at Hlabangemehlo Secondary School 6) Disaster management awareness campaigns (Floods) held 21 February 2025 at Zinikeleni Secondary School 7) Disaster management awareness campaigns (Floods) held 21 February 2025 at Violet Jiyane Secondary School 8) Disaster management awareness campaigns (Floods) held 21 February 2025 at Sobhuza Primary School	N/A - Target achieved	8,00	8,00	8,00	3,00
Traffic Law Management	2.8	Number of traffic fines issued	Traffic fines issued during the reporting period: July 2024 - 442 August 2024 - 470	A) Reason for not Achieving Target/Current Challenges: 1. Two traffic officials were	7244,00	7200,00	6455,00	2,69

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			September 2024 - 511 October 2024 - 443 November 2024 - 452 December 2024 - 606 January 2025: 612 February 2025: 492 March 2025: 697 April 2025: 606 May 2025: 502 June 2025: 613 Total: 442 + 470 + 511 + 443 + 452 + 606 + 612 + 492 + 697 + 606 + 511 + 613 = 6455	seconded to the office of the newly elected Executive Mayor from July to November 2024, which affected the availability of staff for normal operations. 2. There was a shortage and delayed delivery of summons books, which hindered enforcement activities. B) Corrective Action: 1. The appointment of the Executive Mayor's Aide/Driver has since been finalized, allowing the seconded officials to return to their core duties. 2. Continuous follow-up is being conducted with the Supply Chain Management Unit to ensure timely procurement and delivery of summons books.				
Traffic Law Management	2.8.1	Number of traffic law enforcement programmes implemented	**The following traffic law enforcement programmes were implemented:** 1) Law Enforcement K78 Roadblock - 05 July 2024 2) Basadi Joint Operation - 08 August 2024	A) Reason for Overachieving Target: A joint operation was conducted at the request of the South African Police Service (SAPS) as part of the Women's Month	14,00	12,00	13,00	3,25

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			3) Woman in Law Enforcement Joint Operation - 26 August 2024 4) Transport month Joint Operations - 28 October 2024 5) Law Enforcement Joint Operation - 22 November 2024 6) Lauch of Festive Awareness Operation - 10 December 2024 7) Festive Joint Operation - 13 December 2024 8) Joint Operations - 31 January 2025 9) Joint Operations - 28 February 2025 10) Law Enforcement Operation - 20 March 2025 11) Special Operation - 14 April 2025 12) Safety Awareness Operation - 17 April 2025 13) Joint Operation - 13 June 2025	celebration. B) Corrective Action: None required, as the overachievement resulted from a once-off SAPS-led initiative.				
HIV/AIDS	2.9	Number of HIV/AIDS awareness campaigns conducted	**The following HIV/AIDS awareness campaigns were conducted:** 1) 05 July 2024 - Lift Equity (HIV/AIDS Closing the Gaps) 2) 14 August 2024 - Local AIDS Council Induction 3) 18 September 2024 - Local AIDS Council meeting and outreach program 4) 17 October 2024 - Lift Equity (HIV/AIDS Closing the Gaps) held at Tjakastad 5) 27 November 2024 - Formulation of Ward Aids Committee and Lift Equity (HIV/AIDS Closing the Gaps) held at Ekulindeni Unit Office Boardroom	A) Reason for Overachieving Target: Due to the new program of Closing the Gap B) Corrective Action: None	15,00	6,00	14,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			6) 05 December 2024 - Formulation of Ward Aids Committee and Lift Equity (HIV/AIDS Closing the Gaps) held at Emanzana Municipal Boardroom 7) 10 January 2025 - Ithubelihle Girls Hope Lauch and Lift Equity Closing the Gaps) held at Silobela Community Hall 8) 05 February 2025 - Local AIDS Council meeting and outreach program held at Tjakastad 9) 28 February 2025 - Youth Health Activation in HIV/AIDS Awareness held Nhlazatshe 2/4 Community Hall 10) 14 March 2025 - Youth Health Activation in HIV/AIDS Awareness held at Lamagadlela Primary School 11) 29 April 2025 - Closing the Gap HIV Awareness held at Emanzana Tribal Office 12) 28 May 2025 - Closing the Gap HIV Awareness held at Silobela (Zinikeleni High School) 13) 23 June 2025 - LAC meeting and Outreach program held at Emanzana (Dlamini E Sports Ground) 14) 24 June 2025 - Closing the Gap HIV Awareness held at Empuluzi Unit Office					
Sports, Recreation and Culture	2.10	Number of Sports, Recreation and Culture events held	**The following Sports, Recreation and Culture events were held:** 1) Active ageing games held 10 July 2024 at Mpuluzi Stadium 2) Heritage month celebration held 28 September 2024 at Sobhuza School	A) Reason for Overachieving Target: Due to NYDA programs B) Corrective Action: None	6,00	4,00	10,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			3) Mayoral Cup Kick Start Games held 19 October 2024 at Silobela Stadium 4) Big Walk and Recreation Day Games held 26 October 2024 at Manzana Combo Court 5) Mayoral Cup Final Games 2024 held 23 November 2024 at Glenmore Sports Ground 6) Hollywood Cup Games held 14 December 2024 at Elukwatini Stadium 7) Sport Indaba Event held 27-28 February 2025 at Manzana (Ndalo Hotel) 8) Netball games held 21 March 2025 at Ekulindeni (Kromdraai) 9) Indigenous Games held 28 May 2025 at Carolina (Zinikeleni Sports Ground) 10) Community Sports Games held 14 June 2025 at Ekulindeni Sports Ground					
Youth Development	2.11	Number of Youth Development programs implemented	**The following Youth Development programs were implemented:** 1) Information Sharing based on Business held 29 July 2024 at Kromkraans 2) 100 Days Challenge Against GBVF held 21 August 2024 at Violt Jiyane Secondary School 3) Supporting Girl Child with Sanitary Towels held 03 September 2024 at Silobela Community Centre 4) Youth Fund Outreach held 15 October 2024 at Nhlazatje No.4/2 Community Hall 5) Youth/ Moral Prayer Awareness held 18 October 2024 at V.J Jiyane Secondary School 6) GBV Debate with Youth held 25 October 2024 at Elukwatini	A) Reason for Overachieving Target: Due to the Youth Month celebration programs and collaborative initiatives B) Corrective Action: None	7,00	6,00	11,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			7) Grade 12 Excellence Award Event held 07 February 2025 at Carolina Community Hall 8) Youth Health Activation Awareness held 28 February 2025 at Nhlazatshe 2/4 Community Hall 9) Awareness in Substance abuse for Youth held 14 March 2025 at Lamagadlela Primary School 10) Youth Games Awareness Against GBVF and Drug Abuse held 16 June 2025 at Ekulindeni Sports Ground 11) Inclusive Youth Development in Business and Career Exploration held 26 June 2025 at Diepdale Community Hall					
Women Development	2.12	Number of women empowerment programs implemented	**The following women empowerment programs were implemented:** 1) Celebrating Women's Day held 09 August 2024 at Fernie Sports Ground 2) 100 Days Challenge Against GBVF held 22 August 2024 at Carolina Magistrate Court 3) Women Empowerment/GBVF Awareness held 17 October 2024 at Tjakastad 4) Provincial Launching of 16 Days of Activism/GBV Awareness held 26 November 2024 at Elukwatini Stadium 5) Woman Families Day Awareness held 03 June 2025 at Mpuluzi Community Hall 6) Women's Awareness in GBVF held 30 June 2025 at Carolina	N/A - Target achieved	6,00	6,00	6,00	3,00
People with Disabilities	2.13	Number of programs for people living	**The following disability programs were implemented:**	.A) Reason for not Achieving Target/Current Challenges:	7.00	6.00	5.00	2.50

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
		with disability and elderly implemented	1) Celebrating Mandela Month (Wheel Chair Handover) held 25 July 2024 at Dundonald Disability Centre 2) Demonstrating of gadgets for the blind held 12 September 2024 at ZM Mkhwanazi Library 3) Disability Forum in support of the Back to School campaign held 20 January 2025 at Ligugu High School 4) Disability Forum Induction held 13 February 2025 at Elukwatini Disaster Centre 5) Disability Qualification Awareness held 12 May 2025 at Carolina Town Hall	The planned Autism Awareness Programme was postponed. B) Corrective Action: To improve coordination of programs with the office of Executive Mayor.				
Transversal Programs	2.14	Number of religious affairs/moral regeneration programmes implemented	**The following religious affairs/moral regeneration programmes were implemented:** 1) Prayer for Drought held 19 October 2024 at Sports Ground next to Silobela Stadium 2) Prayer for rain and examination held 25 October 2024 at the open space next to Golf Course 3) Road Accident Prayer held 03 December 2024 at Emanzana Unit 4) Launch of Moral Regeneration event held 24 March 2025 at Elukwatini Fire Station 5) Good Friday and GBVF Prayer Session held 11 April 2025 at Railwayline-Carolina 6) Prayer for Road Safety and Easter Holidays held 15 April 2025 at Tjakastad (Emganwini)	A) Reason for Overachieving Target: Due to the launch of the Moral Regeneration Programme. B) Corrective Action: None	6,00	6,00	2,00	5,00
Transversal Programs	2.14.1	Number of GBVF awareness	**The following GBVF awareness campaigns were implemented:**	A) Reason for Overachieving Target: The President declared Gender-Based Violence	N/A - New KPI	2,00	3,00	4,50

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
		campaigns implemented	1) Prayer against crime, GBV and Femicide held 11 March 2025 at Glenmore Community Hall 2) Justice for Cwecwe campaign held 16 April 2025 at Emanzana 3) GBVF and Children's Right Protection Awareness held 19 June 2025 at Carolina Magistrate Court	and Femicide (GBVF) a national pandemic, so many awareness campaigns had to be held. B) Corrective Action: None				
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								
Financial Management	4.1.5	Percentage of cost reduced on Operational Budget (CSS only)	**Numerator:** R36 490 267,25 - Actual Expenditure, **Denominator:** R37 263 344 - Total Departmental Allocation (Operational Budget) **Calculation:** R36 490 267,25/R7 263 344 = 98% Therefore, the department saved 2 % on operational budget	**A) Reason for not achieving the Target:** The department exceeded its planned budget in Q1 and Q2 due to involvement in a higher number of community service delivery activities than initially anticipated. These included moral regeneration, sports, culture and recreation, waste removal, law enforcement operations, and emergency disaster relief assistance. **B) Corrective Action:**	0%	25%	2%	1,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
				The department will start tracking its spending on monthly bases.				
Revenue Management	4.1.6	Revenue collected through issued traffic infringements summons	**Quarter 1:** 01/07/2024 Opening Balance - R66 560.75 30/09/2024 Closing Balance - R322 256.71 Collected: R255 695.96 **Quarter 2:** 01/10/2024 Opening Balance - R255 695.96 31/12/2024 Closing Balance - R754 795.96 Collected: R432 539.25 **Quarter 3:** 01/01/2025 Opening Balance - R754 795.96 31/03/2025 Closing Balance - R1 109 267.22 Collected: R354 471.26 **Quarter 4:** 01/01/2025 Opening Balance - R1 109 267.22 31/03/2025 Closing Balance - R1 486 874.15 Collected: R377 606.93 Total: R255 695.96 + R432 539.25 + R354 471.26 + R377 606.93 = R1 420 313.40	N/A - Target Achieved	N/A New KPI	1300000,00	1420313,40	3,28
GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
Governance and Administration	5.4.2	Number of CSS monthly reports submitted to	1) July 2024 reports submitted to a meeting held 19 August 2024 2) August 2024 reports submitted to a meeting held 13 September 2024	**A) Reason for not achieving the Target:** The report could not be submitted as there were no	11,00	12,00	11,00	2,75

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
		Portfolio Committee meetings	3) September 2024 reports submitted to a meeting held 18 October 2024 4) October 2024 reports submitted to a meeting held 18 November 2024 5) November 2024 reports submitted to a meeting held 12 December 2024 6) December 2024 reports submitted to a meeting held 10 January 2025 7) January 2025 reports submitted to a meeting held 11 February 2025 8) February 2025 reports submitted to a meeting held 14 March 2025 9) March 2025 reports submitted to a meeting held 16 April 2025 10) April 2025 reports submitted to a meeting held 15 May 2025 11) May 2025 reports submitted to a meeting held 12 June 2025	portfolio committee meetings convened due to the pending appointment of the Mayoral Committee. **B) Corrective Action:** None				
Performance Management	5.5.1	% of staff members with completed performance reviews (CSS only)	Numerator: 443* * - Total number of employees with completed performance appraisals made up as follows: 1) 2024/25 - 1st Quarter: 111 employees completed the Performance Appraisals 2) 2024/25 - 2nd Quarter: 111 employees completed the Performance Appraisals 3) 2024/25 - 3rd Quarter: 111 employees completed the Performance Appraisals 1) 2024/25 - 4th Quarter: 110 employees completed the Performance Appraisals Denominator:	N/A - Target Achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			443* * Total number of CSS staff members recorded on the Performance Appraisal System, made up as follows: 1) 2024/25 - 1st Quarter: 111 employees (CSS only) 2) 2024/25 - 2nd Quarter: 111 employees (CSS only) 3) 2024/25 - 3rd Quarter: 111 employees (CSS only) 1) 2024/25 - 4th Quarter: 110 employees (CSS only) Calculation: 443/443 = 100%					
Risk Management	5.9.3	Number of quarterly progress reports on corrective action to address strategic and operational risks - CSS	Quarterly progress reports on corrective action to address strategic and operational risks submitted to Risk Management Committee meeting held 1) 02 August 2024, Item 8.2 2) 21 October 2024, Item 8.2 3) 10 January 2025, Item 8.2 4) 26 June 2025, Item 8.2	N/A - Target Achieved	N/A - New KPI	4,00	4,00	3,00

Planning Economic Development – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
KPA 3: LOCAL ECONOMIC DEVELOPMENT								
Facilitation of Local Economic Development projects	3.1	Number of led strategy projects monitored.	Led Strategy projects monitored: 1) Site Visit Keole trading 2) Dundonald FPSU Site visit	N/A - Target Achieved Budget through the cooperatives	0,00	2.00	2.00	3.00
Special LED support Initiatives	3.1.1	Number of co-operatives offered support.	1) Fernie Dundonald: Profiled SMME Visit: 15 August 2024 2) Information sharing SMME: 19 August 2024 3) SMME and Coop Verification: 20 August 2024 4) Projects Confirmation: 27 August 2024 5) Themba Okwenzayo (PTY) LTD: 30 August 2024 6) Mkhwanazi Agricultural (PTY) LTD: 30 August 2024 7) Samathabethe Cooperatives: 30 August 2024 8) Esethu Solutions: 30 August 2024 9) Ncobile's carwash: Delivered equipment on 18 October 2024 10) Busy Corner carwash: Delivered equipment on 18 October 2024 11) Royal carwash: Delivered equipment on 18 October 2024	A) Reason for Overachieving Target: There was a delay in the delivery of materials during the previous quarter, resulting in the materials being delivered in the first quarter. These materials were subsequently utilized to fulfil the needs of other cooperatives in the reporting quarter. B) Corrective Action: None	23,00	20,00	23,00	3,45

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			12) Proverbs carwash: Delivered equipment on 24 October 2024 13) Lice carwash: Delivered equipment on 24 October 2024 14) SMME Support program Tjakastad ward 13: 10 February 2025 15) SMME Support Program Elukwatini: 13 February 16) Delivery of Car Wash Equipment held at Elukwatini C on 13 February 2025 17) Delivery of Car wash Equipment held at Tjakastad on 13 February 2025 18) Delivery of Catering Equipment held at Tjakastad on 10 February 2025 19) Amanqamane Amahle on 05 May 2025 20) IBCT Institute of Technology on 05 May 2025 21) Mkaro Car Wash on 05 May 2025 22) Thembokwenzayo Cooperative on 13 June 2025 23) Proverbs Car Wash on 13 June 2025					
Local Economic Development Stakeholder engagement	3.1.2	Number of led related forums/meeting coordinated.	1) LED forum meeting held 02 September 2024 2) LED forum meeting held 12 September 2024 3) LED forum meeting held 28 November 2024 4) LED forum meeting held 27 March 2025 5) LED forum meeting held 05 June 2025	N/A - Target Achieved	4,00	4,00	5,00	3,75

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Host Investment Initiatives	3.1.3	Local Economic Development Stakeholder engagement	Investment summit held at Forever Resort Badplaas on 19 June 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
Tourism Promotion	3.1.4	Number of tourism awareness campaigns conducted.	1) Tourism awareness held at Litjelembube High School on 10 September 2024. 2) Tourism awareness held at Mountain Lu Casa Lodge Emanzana on 30 November 2024 3) Tourism meeting border post & truck awareness held at Oshoek on 18 March 2025 3) Tourism awareness (Africa's Indaba) held at Durban ICC on 12-13 May 2025 4) Tourism awareness (Sanral Mpumalanga Road safety activation ahead of Bushfire Festiva) held at Carolina on 29 May 2025 5) Tourism awareness (Sanral Mpumalanga Road safety activation ahead of Bushfire Festiva) held at Total Haartebeeskop on 30 May 2025	A) Reason for Overachieving Target: The section worked together with other entities in tourism sector to have initiatives on awareness program on tourism. That is why we overachieved the KPA. B) Corrective Action: None	5,00	5,00	4,00	3,75

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Local Economic Development	3.1.5	Review LED strategy by 30 June 2025	Draft LED Strategy approved by Council on meeting held 25 June 2025. reference CL1.090	N/A - Target Achieved	N/A-New KPI	1,00	1,00	3,00
Local Economic Development	3.1.6	Average time taken to finalize business license applications	Average Turn Around Time per month: 1) Applicant Name: Intrax Investments 262 (Pty) Ltd TOPS Date Application received: 19 June 2024 Date application finalised: 15 July 2024 Turn around time - 18 days 2) Applicant Name: Intrax Investments 262 (Pty) Ltd Spar Date Application received: 19 June 2024 Date application finalised: 15 July 2024 Turn around time - 18 days 3) Applicant Name: Emmely Kubeka Date Application received: 21 June 2024 Date application finalised: 15 July 2024 Turn around time - 16 days 4) Applicant Name: Teboho Maqolo Date Application received: 24 June 2024 Date application finalised: 15 July 2024 Turn around time - 15 days Calculations: 18 + 18 + 16 + 15 = 16 days 4	N/A - Target Achieved	N/A-New KPI	16,80	30,00	

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								
Financial Management	4.1.5	Percentage of cost reduced on Operational Budget (PED only)	Numerator: R5 507 346.7 - Actual Expenditure, Denominator: R8 102 298.50 - Total Departmental Allocation (Operational Budget) Calculation: R5 507 346.7/R8 102 298.50 = 68% Therefore, the department saved 32% on operational budget	N/A - Target Achieved	70%	25%	32%	3,84
Financial Management	4.1.7	Percentage of revenue recovered from Land use and building application processes	"Numerator: *R4 203.19 *Total amount paid by applicants towards settling their outstanding municipal rates. 1) Portion 1 of the farm Naudesbank 172-IS Historical amount debt: R1 463.26 Amount paid: R5 183.15 Additional amount paid R3 719.89 (Clearance fees) Revenue recovered: R1 463.26 2) Portion 5 of the farm Naudesbank 172-IS Historical amount debt: R1 354.63 Amount paid: R4 091.49	A) Reason for not Achieving Target/Current Challenges: A number of customers are unwilling to pay or settle their municipal accounts . B) Corrective Action: A list of the outstanding municipal accounts will be submitted to the Debt Control Section for further action."	N/A- New KPI	25,00%	7%	1,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Additional amount paid R2 736.86 (Clearance fees) Revenue recovered: R1 354.63 3) The Farm Blenheim 5-IT Historical amount debt: R1 385.30 Amount paid: R3 528.72 Additional amount paid R2 143.42 (Clearance fees) Revenue recovered: R1 385.30 Total amount recovered: R1 463.26 + R1 354.63 + R1 385.30 = R4 203.19 Denominator: *R59 228.89 * Total amount owed in municipal rates by all identified applicants. 1) Portion 1 of the farm Naudesbank 172-IS - R1,463.26 2) Portion 5 of the farm Naudesbank 172-IS - R1,354.63 3) The Farm Blenheim 5-IT - R1,385.30 4) Portion 7 of the farm Vaal water 173-IS - R5,676.85 5) Remaining Extent of erf 439 Carolina Town - R6,771.00 6) Erf 287 Empuluzi-B - R26,343.96 7) RE/468 Carolina - R13,139.54 8) Portion 9 of Naudesbank - R3,094.35					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Total: R1,463.26 + R1,354.63 + R1,385.30 + R5,676.85 + R6,771.00 + R26,343.96 + R13,139.54 + R3,094.35 = R59 228.89 Calculations R4 203.19/ R59 228.89 = 7%					
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
Governance and Administration	5.4.2	Number of PED monthly reports submitted to Portfolio Committee meetings	1) June 2024 reports submitted to a meeting held 26 August 2024 2) July 2024 reports submitted to a meeting held 26 August 2024 3) August 2024 reports submitted to a meeting held 13 September 2024 4) September 2024 reports submitted to a meeting held 18 October 2024 5) October 2024 reports submitted to a meeting held 14 November 2024 6) November 2024 reports submitted to a meeting held 11 December 2024 7) December 2024 reports submitted to a meeting held 13 January 2025 8) January 2025 reports submitted to a meeting held 13 February 2025 9) February 2024 reports submitted to a meeting held 14 March 2025 10) March 2025 reports submitted to a meeting held 16 April 2025 11) April 2025 reports submitted to a meeting held 15 May 2025	N/A - Target Achieved	12,00	12,00	12,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			12) May 2025 reports submitted to a meeting held 13 June 2025					
Performance Management	5.5.1 (PED)	% of staff members with completed performance reviews (PED only)	Numerator: 62* * Total number of employees with completed performance appraisals made up as follows: 1) 2024/25 - 1st Quarter 15 employees completed the Performance Appraisals 2) 2024/25 - 2nd Quarter 15 employees completed the Performance Appraisals 3) 024/25 - 3rd Quarter 15 employees completed the Performance Appraisals 1) 2024/25 - 4th Quarter: 15 employees completed the Performance Appraisals Denominator: 62* * Total number of PED staff members recorded on the Performance Appraisal System, made up as follows: 1) 2024/25 - 1st Quarter: 15 employees (PED only) 2) 2024/25 - 2nd Quarter: 15 employees (PED only) 3) 2024/25 - 3rd Quarter: 16 employees (PED only) 4) 2024/25 - 4th Quarter: 16 employees (PED only) Calculation: 62/62 = 100%	N/A - Target Achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Risk Management	5.9.3	Number of quarterly progress reports on corrective action to address strategic and operational risks - PED	1) Quarterly progress reports on corrective action to address strategic and operational risks submitted to Risk Management Committee meeting held 02 August 2024, Item 8.2 2) Quarterly progress reports on corrective action to address strategic and operational risks submitted to Risk Management Committee meeting held 21 October 2024, Item 8.2 3) Quarterly progress reports on corrective action to address strategic and operational risks submitted to Risk Management Committee meeting held 10 January 2025 4) Quarterly progress reports on corrective action to address strategic and operational risks submitted to Risk Management Committee meeting held 26 June 2025	N/A - Target achieved	N/A- New KPI	4,00	4,00	3,00
Coordination and alignment of planning	5.10	Final IDP tabled and approved by Council by 31 May 2025	2025/26 Final IDP approved on Council meeting held 29 May 2025. Reference, Item no: C03/05/25/R	N/A - Target Achieved	1,00	1,00	1,00	3,00
Coordination and alignment of planning	5.10.1	Number of process plan and framework plan approved	IDP process plan and framework plan approved on Council meeting held 07 August 2024, reference CL1.0100	N/A - Target Achieved	1,00	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Coordination and alignment of planning	5.10.2	Number of IDP public consultations conducted.	IDP public consultation meetings were conducts as follows: 1) 14 September 2024 - Ward 1 2) 30 September 2024 - Ward 2 3) 11 September 2024 - Ward 3 4) 16 September 2024 - Ward 4 5) 06 September 2024 - Ward 6 6) 19 September 2024 - Ward 6 7) 12 September 2024 - Ward 7 8) 04 September 2024 - Ward 8 9) 10 September 2024 - Ward 9 10) 16 September 2024 - Ward 10 11) 18 September 2024 - Ward 11 12) 12 September 2024 - Ward 12 13) 05 September 2024 - Ward 13 14) 06 September 2024 - Ward 14 15) 20 September 2024 - Ward 15 16) 06 September 2024 - Ward 16 17) 17 September 2024 - Ward-17 18) 19 September 2024 -Ward 18 19) 12 September 2024 - Ward 19 20) 09 September 2024 - Ward 20 21) 07 September 2024 - Ward 21 22) 05 September 2024 - Ward 22 23) 12 September 2024 - Ward 23 24) 19 September 2024 - Ward 24 25) 11 September 2024 - Ward 25	N/A - Target Achieved	25,00	25,00	25,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Coordination and alignment of planning	5.10.3	Draft Municipal IDP submitted for approval to Council by end of March 2025	2025/26 Draft IDP submitted to Special Council meeting held 21 March 2025, Item reference C06/03/25/R	N/A - Target Achieved	1,00	1,00	1,00	3,00
Coordination and alignment of planning	5.10.4	Municipal Strategic planning sessions conducted	Municipal Strategic planning sessions conducted on 29 & 30 January 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
KPA 6: SPATIAL RATIONALE AND MUNICIPAL PLANNING ALIGNMENT								
Eradication of informal settlement and Township establishment	6.1	Number of studies conducted for the establishment of cemeteries	1) Geotechnical Investigation study for the extension of a Cemetery on portion 0 on the farm Arenhemburg 155IT compiled on 07/04/2025 2) Geotechnical Investigation study for the Cemetery establishment on Farm Weergevonden compiled on 20/06/2025	A) Reason for Overachieving Target: There is a critical need for cemeteries in Elukwatini. As a result, the Town Planning Section had to assess multiple areas for the establishment of a new cemetery, given that most existing cemeteries in the	1,00	1,00	2,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
				area have reached full capacity. B) Corrective Action: None				
Eradication of informal settlement and Township establishment	6.1.1	Number of township formalization applications completed.	Formalization of informal settlement in Nhlazatshe area in CALM study compiled on 06/062025	N/A - Target Achieved	1,00	1,00	1,00	3,00
Eradication of informal settlement and Township establishment	6.1.2	Number of township establishment applications completed.	Township Establishment on the Remainder of the Farm Carolina and Townlands 43 IT, Mpumalanga Province	N/A - Target Achieved	1,00	1,00	1,00	3,00
Land Use and Development Management	6.1.3	Percentage of land use and development applications processed within the legislated	Numerator: 1* *Total number of land use and development application received and processed within 120 days. 1) Erf 672 Carolina Date submitted: 20/11/2024 Date application confirmed complete: 14/03/2025 Date finalised: 11/04/2025 Turn Around Time: 29 days	N/A - Target Achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
		timeframe (120 days)	Denominator: 1* *Total number of land use and development applications received during the period July 2024 to March 2025. 1) Erf 672 Carolina Calculations: 1/1 = 100%					
Building Control Management	6.1.4	Percentage of building plans processed within the agreed timeframe	Numerator: 4* *Total number of building plans applications received and processed within 30/60 days. 1) Portion 1 of the farm Naudesbank 172-IS (Residential) Date submitted: 10/09/2024 Date application confirmed complete: 16/10/2024 Date finalised: 31/10/2024 Turn Around Time: 16 days 2) Portion 5 of the farm Naudesbank 172-IS (Residential) Date submitted: 10/09/2024 Date application confirmed complete: 16/10/2024 Date finalised: 31/10/2024 Turn Around Time: 16 days 3) The Farm Blenheim 5-IT (Residential) Date submitted: 10/09/2024	N/A - Target Achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Date application confirmed complete: 16/10/2024 Date finalised: 31/10/2024 Turn Around Time: 16 days 4) portion 11 of the farm Kafferskraal 618-JT (Business) Date submitted: 09/10/2024 Date application confirmed complete: 15/11/2024 Date finalised: 03/12/2024 Turn Around Time: 19 days Denominator: 4* *Total number of building plans applications received 1) Portion 1 of the farm Naudesbank 172-IS 2) Portion 5 of the farm Naudesbank 172-IS 3) The Farm Blenheim 5-IT 4) portion 11 of the farm Kafferskraal 618-JT Calculations: 4/4 = 100%					
integrated Human Settlement Planning	6.2	Percentage of human settlements projects monitored	100% - Human settlements projects monitored	N/A - Target Achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Integrated Human Settlement Planning	6.2.1	Number of consumer education conducted.	"The following Consumer education were conducted during the period July 2024 to June 2025: 1) Walk - ins 01-31 July 2024 2) Walk- ins 1- 31 August 2024 3) Walk ins- 1-30 September 2024 4) Walk - ins - 12 September 2024 5) Walk - ins - 17 September 2024 6) Walk - ins - 30 September 2024 7) Walk -ins - 30 September 2024 8) Walk ins - 01-31 October 2024 9) Walk ins - 16 October 2024 10) Walk ins - 16 October 2024 11) Walk ins - 18 October 2024 12) Walk ins - 23 October 2024 13) Walk ins - 24 October 2024 14) Walk ins - 01-30 November 2024 15) Walk ins - 02 December 2024 16) 24 January 2025 17) 31 January 2025 18) 01-31 January 2025 19) 04 February 2025 20)18 February 2025 21) 24 January 2025 22) 28 March 2025 23) Walk - ins 1 to 30 April 2025 24) Walk- ins 15 April 2025 25) Walk ins -22 April 2025 26) Walk - ins - 23 April 2025	A) Reason for Overachieving Target: Due to a number of areas in a ward required to be visited in different days as per request from Ward Councillor. In some places, many people came later in the day, which meant we had to visit more than once to assist everyone. B) Corrective Action: None"	30,00	25,00	30,00	3,65

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			27) Walk - ins - 25 April 2025 28) Walk - ins - 13 May 2025 29) Walk- ins - 28 May 2025 30) Walk - ins - 02-30 June 2025"					

Technical Services – Key performance indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
Project Management	2.15	Percentage of CALM funded projects as identified in the IDP completed by 30 June 2025	Numerator: 5 1) Construction of Conventional Toilets in ward 07,08,11,13,19,21&23 2) Construction of Carolina Collector Access Road	N/A - Target Achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			3) Construction of Nhlazatshe 3 Collector Access Road 4) Installation of Highmast lights 5) Electrification of households and Bulk supply Denominator: 5 1) Construction of Conventional Toilets in ward 07,08,11,13,19,21&23 2) Construction of Carolina Collector Access Road 3) Construction of Nhlazatshe 3 Collector Access Road 4) Installation of Highmast lights 5) Electrification of households and Bulk supply Calculations: 5/5 = 100%					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Project Management	2.15.1	% of water programmes funded through (RBIG/WSIG/MIG) successfully monitored as per the SLA	Numerator: 6* *Water programme monitored 1) Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04 2) Replacement of AC Pipes in Empuluzi Water Scheme: Swallowsnest 3) Upgrading of Emanzana Water Scheme Phase 2 4) Construction of Kranskop, Ngonini Village Water Reticulation and Bulk water Supply Infrastructure 5) Construction of Steynsdorp Village Water Reticulation and Bulk water Supply Infrastructure. 6) Eerstehoek Bulk Water Scheme phase 1,2,3 and 4 Denominator: 6* *Total number of water	N/A - Target achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			programs 1) Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04 2) Replacement of AC Pipes in Empuluzi Water Scheme: Swallowsnest 3) Upgrading of Emanzana Water Scheme Phase 2 4) Construction of Kranskop, Ngonini Village Water Reticulation and Bulk water Supply Infrastructure 5) Construction of Steynsdorp Village Water Reticulation and Bulk water Supply Infrastructure. 6) Eerstehoek Bulk Water Scheme phase 1,2,3 and 4 Calculations: 6/6 = 100%				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Project Management	2.15.2	% of sanitation programmes funded through (RBIG/WSIG/MIG) successfully monitored as per the SLA	Numerator: 5* *Sanitation programmes monitored 1) Construction of Conventional Toilets in ward 07,08,11,13,19,21&23 2) Upgrade of Mpuluzi WWTW (Phase 2) 3) Construction of Sewer Reticulation in Carolina Ext 4 and Carolina Emzamo Section. 4) Refurbishment of Ekulindeni Sewer Stabilisation Ponds 5) Upgrading of Carolina WWTW - Package 1, 2, 3 and 4 Denominator: 5* *Total number of Sanitation programs 1) Construction of Conventional Toilets in ward 07,08,11,13,19,21&23	N/A - Target achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			2) Upgrade of Mpuluzi WWTW (Phase 2) 3) Construction of Sewer Reticulation in Carolina Ext 4 and Carolina Emzamo Section. 4) Refurbishment of Ekulindeni Sewer Stabilisation Ponds 5) Upgrading of Carolina WWTW - Package 1, 2, 3 and 4 Calculations: 5/5 = 100%					
Project Management	2.15.3	% of electrification programmes funded through (DMRE) successfully monitored as per the SLA	Numerator: 2* * Electricity programmes monitored 1) Installation of Highmast Lights 2) Electrification of households and Buk supply Denominator: 2* Total Number of electrification programmes 1) Installation of Highmast Lights	N/A - Target achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			2) Electrification of households and Buk supply Calculations 2/2 = 100%					
Project Management	2.15.4	% of roads programmes funded through (MIG) successfully monitored as per the SLA	Numerator: 5* *Roads programme monitored 1) Construction of Carolina Collector Access Road 2) Construction of Dundonald Collector Access Roads 3) Construction of Fernie Collector Access Road (Mahoxo Road) 4) Construction of Nhlazatshe 3 Collector Access Road 5) Construction of Nhlazatshe Road 2km Denominator: 5* *Total number of Roads programme 1) Construction of Carolina Collector Access Road	N/A - Target achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			2) Construction of Dundonald Collector Access Roads 3) Construction of Fernie Collector Access Road (Mahoxo Road) 4) Construction of Nhlazatshe 3 Collector Access Road 5) Construction of Nhlazatshe Road 2km Calculations 5/5 = 100%					
Project Management	2.15.5	% of public facilities programmes funded through (MIG) successfully monitored as per the SLA	Numerator: 2* *Public facilities programme monitored 1) Construction of Badplass Landfill site 2) Refurbishment and Upgrading of Mpuluzi Stadium Denominator: 2* *Public facilities programme monitored 1) Construction of Badplass Landfill site	N/A - Target achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			2) Refurbishment and Upgrading of Mpuluzi Stadium Calculations: 2/2 = 100%					
Water Services	2.16	Percentage of households with access to basic levels of water by 30 June 2025(GKPI)	Numerator: 60 788 1) 52 640 - Total number of households with access piped water inside dwelling/yard 2) 3 152 - Total number of households with access to water through communal standpipes 3) 4 314 - Total number of households with access to water through Jojo tanks 4) 682 - Total number of households with access to water tankers Denominator: 63 303* *Total number of households in Chief	A) Reason for Overachieving Target: Additional of Internal connections through the operation and maintenance program B) Corrective Action: None	96%	96%	90%	3,20

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Albert Luthuli Calculations: 60 788/63 303 = 96%					
Water Services	2.16.1	Number of litres of portable water distributed	Water Distributed per WTP during the period July 2024 to June 2025: 1) Badplass - 882048000L 2) Avontuur - 756480000L 3) Carolina - 1163810000L 4) Eerstehoek - 3648660000L 5) Ekulindeni - 1182630000L 6) Mpuluzi - 1042660000L 7) Lusushwana - 596937000L 8) Methula - 1231313000L Total water distributed - 10 504 538 000Litres	A) Reason for Overachieving Target: Additional of Internal connections through the operation and maintenance program B) Corrective Action: None	11453.00ML	10080000000,00	10504538000,00	3,13

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Water Services	2.16.2	Number of litres of water supplied to deep rural areas	Quarter 1 - 10665800 Quarter 2 - 10339600 Quarter 3 - 13218400 Quarter 4 - 14612802 Total: 48 836 652	A) Reason for not Achieving Target/Current Challenges: Due to the breakdown of trucks. B) Corrective Action: An internal mechanic has been appointed to address and prevent future breakdowns.	43.94ML	107520000,00	48836652,00	1,36
Water Services	2.16.3	Percentage of new household's water connection received and responded to	Numerator: 8* * New water connection application received and responded to: 1) Date of Application: 03 July 2024 Address: 4/6431 Silobela Ext 4, Carolina, 1185 Connected: 03 July 2024 2) Date of Application: 22 November 2024 Address: Sunny View Street, Elukwatini, 1192 Connected: 27 November 2024	N/A - Target achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			3) Date of Application: 25 November 2024 Address: 205 Lotus Street, Carolina, 1185 Connected: 25 November 2024 4) Date of Application: 11 February 2025 Address: c/o Voortrekker and Conbrik Street, Carolina, 1185 Connected: 11 February 2025 5) Date of Application: 20 February 2025 Address: 319/2 Voortrekker, Carolina, 1185 Connected: 10 March 2025 6) Date of Application: 08 April 2025 Address: Stand No 781 Elukwatini Sabatha B Connected: 13 April 2025				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			7) Date of Application: 22 April 2025 Address: Stand No 99 Nhlazatshe 7 Connected: 23 April 2025 8) Date of Application: 14 May 2025 Address: Stand No 98 Elukwatini Sunnyview Connected: 17 May 2025 Denominator: 8* *Total number of new water connections received 1) 03 July 2024 2) 22 November 2024 3) 25 November 2024 4) 11 February 2025 5) 10 March 2025 6) 08 April 2025 7) 22 April 2025 8) 17 May 2025 Calculations: 8/8 = 100%				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Water Services	2.16.4	Percentage of water samples taken as per annual sampling points	Numerator: 471* * Monthly breakdown of water samples taken per Month July 2024: 42 August 2024: 42 September 2024: 42 October 2024: 37 November 2024: 38 December 2024: 37 January 2025: 40 February 2025: 40 March 2025: 38 April 2025: 37 May 2025: 40 June 2025: 38 Total: 42 + 42 + 42 + 37 + 38 + 37 + 40 + 40 + 38 + 37 + 40 + 38 = 471 Denominator: 612* * Total number of water sampling points per Month July 2024: 51 August 2024: 51 September 2024: 51 October 2024: 51 November 2024: 51 December 2024: 51	A) Reason for not Achieving Target/Current Challenges: There was no proper planning with GSDM regarding the schedule for collecting water samples. B) Corrective Action: Engagements have been held with GSDM to ensure the Acting Director is included in all email notifications sent to the municipality regarding the dates for water sample collection.	89%	100,00%	77%	2,31

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			January 2025: 51 February 2025: 51 March 2025: 51 April 2025: 51 May 2025: 51 June 2025: 51 Total: 51 + 51 + 51 + 51 + 51 + 51 + 51 + 51 + 51 + 51 + 51 + 51 = 612 Calculations: 471/612 = 77%					
Water Services	2.16.5	percentage of bulk network failure reported and responded to within 5 days	"Numerator: 2617 - Total number of bulk network failure reported and responded to within 5 days during July to June 2025* * Number of reported water complains and responded: July 2024: 187 August 2024: 169 September 2024: 140 October 2024: 207 November 2024: 210 December 2024: 222	A) Reason for not Achieving Target/Current Challenges: The delay occurred due to the unavailability of certain response vehicles. The department was awaiting vehicle parts that arrived later than expected, which impacted our ability to respond to all network failures within the required timeframes. B) Corrective Action: The department will ensure that all vehicles are serviced regularly to maintain readiness for operations. In addition, a	100,00%	100%	98%	2,94

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			January 2025: 274 February 2025: 221 March 2025: 240 April 2025: 248 May 2025: 260 June 2025: 239 Total: 187 + 169 + 140 + 207 + 210 + 222 + 274 + 221 + 240 + 248 + 260 + 239 = 2617 Denominator: 2661 - Total number of water complains reported July 2024: 192 August 2024: 172 September 2024: 144 October 2024: 209 November 2024: 213 December 2024: 225 January 2025: 275 February 2025: 221 March 2025: 242 April 2025: 250 May 2025: 271 June 2025: 247 Total: 192 + 172 + 144 + 209 + 213 + 225 +	small stock of critical vehicle parts will be kept on hand to prevent future delays caused by pending deliveries.				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			275 + 221 + 242 + 250 + 271 + 247 = 2661 Calculations: 2617/2661 = 98%"					
Water Services	2.16.6	Percentage of Drinking Water Quality Samples Compliant to SANS 241 (BDS)	Numerator: 3476* *Total number of Complied Analysis July 2024: 373 August 2024: 363 September 2024: 359 October 2024: 285 November 2024: 240 December 2024: 256 January 2025: 281 February 2025: 270 March 2025: 262 April 2025: 247 May 2025: 265 June 2025: 275 Total: 373 + 363 + 359 + 285 + 240 + 256 + 281 + 270 + 262 + 247 + 265 + 275 = 3476 Denominator: 4359* *Total number of Analyses Performed July 2024: 425 August 2024: 409	A) Reason for not Achieving Target/Current Challenges: The reticulation lines are very long, so the chlorine does not reach all areas properly. This caused some water samples, especially from the far ends of the line, to fail the test. B) Corrective Action: The municipality will monitor chlorine levels throughout the network and, where necessary, adjust chlorine dosing at the reservoirs to ensure consistent and adequate chlorine distribution across all reticulation lines.	N/A- New KPI	97%	80%	2,47

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			September 2024: 385 October 2024: 357 November 2024: 331 December 2024: 329 January 2025: 370 February 2025: 364 March 2025: 346 April 2025: 345 May 2025: 345 June 2025: 353 Total: 425 + 409 + 385 + 357 + 331 + 329 + 370 + 364 + 346 + 345 + 345 + 353 = 4359 Calculations: 3476/4359 = 80%"					
Sanitation Services	2.17	Percentage of households with access to basic levels of sanitation by 30 June 2025 (GKPI)	Numerator: 63 239* 1) 25 528 - Total number of households with access to waterborne/flush toilets 2) 3 466 - Total number of households with access to sanitation through septic tanks &	A) Reason for Overachieving Target: Additional of Internal connections through capital projects B) Corrective Action: None	99%	90%	99,90%	3,33

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			chemical toilets 3) 31 455 - Total number of households with access to VIP toilets 4) 2 790 - Total number of households with access to pit (non-VIP) toilets 5) 0 - Total number of households with access to sanitation through bucket system Denominator: 63 303* *Total number of households in Chief Albert Luthuli Calculations: 63 239/63 303 = 99,9%					
Sanitation Services	2.17.1	Percentage of callouts responded to within 48 hours (sanitation/wastewater)	Numerator: 1254 - Total number of sanitation complaints reported and responded to within 2 days during the reporting period*	A) Reason for not Achieving Target/Current Challenges: The delay occurred due to the unavailability of certain response vehicles. The department was awaiting vehicle parts that arrived later than expected, which impacted our ability to respond to all	N/A- New KPI	100%	97%	2,91

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			* Number of water complains reported and responded to: July 2024: 99 August 2024: 129 September 2024: 121 October 2024: 90 November 2024: 115 December 2024: 113 January 2025: 99 February 2025: 65 March 2025: 99 April 2025: 94 May 2025: 135 June 2025: 95 Total: 99 + 129 + 121 + 90 + 115 + 113 + 99 + 65 + 99 + 94 + 135 + 95 = 1254 Denominator: 1288 - Total number of sanitation complaints reported July 2024: 103 August 2024: 138 September 2024: 124 October 2024: 96 November 2024: 121 December 2024: 113 January 2025: 101	network failures within the required timeframes. B) Corrective Action: The department will ensure that all vehicles are serviced regularly to maintain readiness for operations. In addition, a small stock of critical vehicle parts will be kept on hand to prevent future delays caused by pending deliveries.				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			February 2025: 67 March 2025: 99 April 2025: 94 May 2025: 137 June 2025: 95 Total: 103 + 138 + 124 + 96 + 121 + 113 + 101 + 67 + 99 + 94 + 137 + 95 = 1288 Calculations: 1254/1288 = 97%					
Sanitation Services	2.17.2	Percentage of waste water samples taken as per annual sampling points	Numerator: 12* * Monthly breakdown of wastewater samples taken per Month July 2023: 1 August 2023: 1 September 2023: 1 October 2024: 1 November 2024: 1 December 2024: 1 January 2025: 1 February 2025: 1 March 2025: 1 April 2025: 1 May 2025: 1 June 2025: 1	N/A - Target achieved	N/A- New KPI	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Total: 1 + 1 + 1 + 1 + 1 + 1 +1 + 1 + 1 + 1 + 1 + 1 = 12 Denominator: 12* * Total number of samples as per approved annual sampling plan July 2023: 1 August 2023: 1 September 2023: 1 October 2024: 1 November 2024: 1 December 2024: 1 January 2025: 1 February 2025: 1 March 2025: 1 April 2025: 1 May 2025: 1 June 2025: 1 Total: 1 + 1 + 1 + 1 + 1 + 1 +1 + 1 + 1 + 1 + 1 + 1 = 12 Calculations: 12/12 = 100%				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Sanitation Services	2.17.3	Percentage of Wastewater Final Effluent samples compliant to water use license conditions (GDS)	Numerator: 126* *Total number of Complied Analysis July 2023: 10 August 2023: 10 September 2023: 10 October 2024: 10 November 2024: 12 December 2024: 12 January 2025: 10 February 2025: 10 March 2025: 10 April 2025: 12 May 2025: 10 June 2025: 10 Total: 10 + 10 + 10 + 10 + 12 + 12 +10 + 10 + 10 + 12 + 10 + 10 = 126 Denominator: 144* *Total number of Analyses Performed August 2023: 12 September 2023: 12 October 2024: 12 November 2024: 12 December 2024: 12 January 2025: 12 February 2025: 12 March 2025: 12	A) Reason for not Achieving Target/Current Challenges: The 2ML plant has reached its maximum operational capacity and is currently undergoing an upgrade to increase capacity to 6ML. B) Corrective Action: The upgrade project is in progress, with the contractor already on site implementing the required works."	N/A- New KPI	95%	88%	2,76

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			April 2025: 12 May 2025: 12 June 2025: 12 Total: 12 + 12 + 12 + 12 + 12 + 12 +12 + 12 + 12 + 12 + 12 + 12 = 144 Calculations: 126/144 = 87,5%					
Electricity Services	2.18	Percentage of households with access to basic levels of electricity by 30 June 2025 (GKPI)	Numerator: 61 447 * Households connected to electricity Denominator: 63 303 *Total number of households Calculations: 61 447/63 303 = 97%	A) Reason for Overachieving Target: Additional of Internal connections through capital projects B) Corrective Action: None	97%	90%	97%	3,23
Electricity Services	2.18.1	Percentage of transformers repaired within 2 days after being reported.	Numerator: 62* * Number of transformers repaired within 2 days July 2024: 6 August 2024: 5 September 2024: 4 October 2024: 7	N/A - Target achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			November 2024: 4 December 2024: 2 January 2025: 10 February 2025: 4 March 2025: 5 April 2025: 3 May 2025: 4 June 2025: 8 Total: 6 + 5 + 4 + 7 + 4 + 2 + 10 + 4 + 5 + 3 + 4 + 8 = 62 Denominator: 62* * Total number of transformers reported during the period under review July 2024: 6 August 2024: 5 September 2024: 4 October 2024: 7 November 2024: 4 December 2024: 2 January 2025: 10 February 2025: 4 March 2025: 5 April 2025: 3 May 2025: 4 June 2025: 8					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Total: 6 + 5 + 4 + 7 + 4 + 2 + 10 + 4 + 5 + 3 + 4 + 8 = 62 Calculations: 62/62 = 100%					
Electricity Services	2.18.2	Percentage of public lights repaired & maintained within 2 days after being reported	Numerator: 326* * Number of public lights repaired & maintained within 2 days after being reported: July 2024: 8 August 2024: 20 September 2024: 10 October 2024: 28 November 2024: 48 December 2024: 28 January 2025: 37 February 2025: 37 March 2025: 31 April 2025: 39 May 2025: 18 June 2025: 22 Total: 8 + 20 + 10 + 28 + 48 + 28 + 37 + 37 + 31 + 39 + 18 + 22 = 326	N/A - Target achieved	N/A- New KPI	90,00%	99,00%	3,30

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Denominator: 328* *Total number of public lights reported during the period under review July 2024: 8 August 2024: 20 September 2024: 10 October 2024: 28 November 2024: 48 December 2024: 28 January 2025: 37 February 2025: 38 March 2025: 31 April 2025: 40 May 2025 18 June 2025: 22 Total: 8 + 20 + 10 + 28 + 48 + 28 + 37 + 38 + 31 + 40 + 18 + 22 = 328 Calculations: 326/328 = 99%					
Electricity Services	2.18.3	Percentage of electrical network	Numerator: 102* * Number of call-outs on the electrical network reported and	N/A - Target achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
		repaired within 2 days after being reported.	attended to within 2 days during the 2024/25 financial year: July 2024: 11 August 2024: 8 September 2024: 9 October 2024: 8 November 2024: 7 December 2024: 7 January 2025: 8 February 2025: 9 March 2025: 8 April 2025: 8 May 2025: 8 June 2025: 11 Total: 11 + 8 + 9 + 8 + 7 + 7 + 8 + 9 + 8 + 8 + 8 + 11 =102 Denominator: 102* *Total number of call-outs on the electrical network reported during the 2024/25 financial year. July 2024: 11 August 2024: 8 September 2024: 9 October 2024: 8 November 2024: 7 December 2024: 7					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			January 2025: 8 February 2025: 9 March 2025: 8 April 2025: 8 May 2025: 8 June 2025: 11 Total: 11 + 8 + 9 + 8 + 7 + 7 + 8 + 9 + 8 + 8 + 8 + 11 =102 Calculations: 102/102 = 100%					
Electricity Services	2.18.4	Percentage of panels and substations repaired within 2 days after being reported.	Numerator: 58* *Total number of electrical panels and substations repaired/maintained within 2 days in the 2024/25 financial year: July 2024: 2 August 2024: 3 September 2024: 3 October 2024: 19 November 2024: 4 December 2024: 3 January 2025: 4 February 2025: 3 March 2025: 4 April 2025: 4	N/A - Target achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			May 2025: 6 June 2025: 3 Total: 2 + 3 + 3 + 19 + 4 + 3 + 4 + 3 + 4 + 4 + 6 + 3 = 58 Denominator: 58* * Total number of electrical panels and substations reported in the 2024/25 financial year: July 2024: 2 August 2024: 3 September 2024: 3 October 2024: 19 November 2024: 4 December 2024: 3 January 2025: 4 February 2025: 3 March 2025: 4 April 2025: 4 May 2025: 6 June 2025: 3 Total: 2 + 3 + 3 + 19 + 4 + 3 + 5 + 3 + 4 + 4 + 6 + 3 = 58 Calculations: 58/58 = 100%					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Electricity Services	2.18.5	Percentage of Ring Main Units (RMU) repaired & maintained within 2 days after being reported	Numerator: 33* *Total number of Ring Main Units (RMU) repaired and maintained within 2 days after being reported: July 2024: 3 August 2024: 2 September 2024: 3 October 2024: 3 November 2024: 1 December 2024: 3 January 2025: 4 February 2025: 3 March 2025: 3 April 2025: 0 May 2025: 3 June 2025: 5 Total: 3 + 2 + 3 + 3 + 1 + 3 + 4 + 3 + 3 + 0 + 3 + 5 = 33 Denominator: 33* *Total number of Ring Main Units reported during the period under review: July 2024: 3	N/A - Target achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			August 2024: 2 September 2024: 3 October 2024: 3 November 2024: 1 December 2024: 3 January 2025: 4 February 2025: 3 March 2025: 3 April 2025: 0 May 2025: 3 June 2025: 5 Total: Total: 3 + 2 + 3 + 3 + 1 + 3 + 4 + 3 + 3 + 0 + 3 + 5 = 33 Calculations: 33/33 = 100%					
Electricity Services	2.18.6	Number of electricity meters installed	139 - Total number of electricity meters installed during the period July 2024 to June 2025 July 2024: 4 August 2024: 1 September 2024: 0 October 2024: 2 November 2024: 20 December 2024: 17 January 2025: 15	A) Reason for not Achieving Target/Current Challenges: The delay was due to the late delivery of electricity meters. B) Corrective Action: The Unit will request SCM Unit to procure additional electricity meters.	217,00	200,00	139,00	2,09

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			February 2025: 22 March 2025: 21 April 2025: 20 May 2025: 11 June 2025: 6 Total: 4 + 1 + 0 + 2 + 20 + 17 + 15 + 22 + 21 + 20 + 11 + 6 = 139					
Roads	2.19	Number of Kilometers of gravel roads maintained	Total number of kilometers of gravel roads maintained: July 2024 - 85,67km August 2024 - 58,2km September 2024 - 33,4km October 2024 - 43km November 2024 - 25,3km December 2024 - 67,16km January 2025: 60,66km February 2025: 48,6km March 2025: 47,31km April 2025: 30,1km May 2025: 72,4km June 2025: 21,4km Total: 85,67 + 58,2 +	A) Reason for Overachieving Target: Assisted by the Disaster Grant B) Corrective Action: None	779,11	543,00	593,20	3,28

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			33,4 + 43 + 25,3 + 67,16 + 60,66 + 48,6 + 47,31 + 30,1 + 72,4 + 21,4 = 593,2km					
Roads	2.19.1	Number of square meters of tarred roads potholes repaired	Total number of square meters of tarred roads potholes repaired: July 2024 - 401,09m2 August 2024 - 120,84m2 September 2024 - 234m2 October 2024 - 0m2 November 2024 - 537,61m2 December 2024 - 684,84m2 January 2025: 326,7m2 February 2025: 782m2 March 2025: 80m2 April 2025: 120m2 May 2025: 621,4m2 June 2025: 0m2 Total: 401,09 + 120,84 + 234 + 0 + 537,61 + 684,84 + 326,7 + 782 + 80 + 120 + 621,4 + 0 = 3908,48m2	A) Reason for Overachieving Target: Assisted by GSDM through Jet patcher B) Corrective Action: None	3009,09	3000,00	3908,48	3,91

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Roads	2.19.2	Number of square meters of resealing tarred roads through support by GSDM	153 715m2 roads resealed	A) Reason for Overachieving Target: Assisted by GSDM through Jetpatcher B) Corrective Action: None	19990,00	10000,00	153715	5,00
Roads	2.19.3	Number of foot bridges constructed.	Foot bridged constructed during the period 01 July 2024 to 30 June 2025 Quarter 1: 1 1 - Constructed in Zwane Section at ward 05 Quarter 2: 3 2 - Constructed in Makhosonke Road & Mabovini at ward 13 1 - Constructed in Mbhejeka Road Quarter 3: 5 1 Constructed in Sobhuza Primary School road at ward 15 1 - Constructed in	A) Reason for Overachieving Target: Assisted by the Disaster Grant B) Corrective Action: None	5,00	8,00	11,00	4,13

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Shiba Village road at ward 10 1 - Constructed in Vutha Section Stream road at ward 02 1 - Constructed in Nhlazatshe 4C road at ward 25 Quarter 4: 3 1 - Constructed in Aramburg Shiba Village at ward 10 1 - Constructed in Vutha Section stream ward 02 1 - Emanzana Foot Bridge ward 17					
Roads	2.19.4	Number of vehicle bridges repaired	Quarter 1: 1) Nhlazatshe No 5, Elukwatini, Ward 24 Quarter 2: 2) Nhlazatshe (Etinkukwini Vehicle Bridge) Quarter 3: 3) Barnard Street, Ward 17	A) Reason for Overachieving Target: Assisted by the Disaster Grant B) Corrective Action: None	6,00	3,00	5,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Quarter 4: 4) Emanzana Vehicle Bridge, Ward 17 5) Empuluzi Vehicle Bridge, Ward 9					
Roads	2.19.5	Number of Speed humps constructed on existing paved roads	Speed humps were constructed on the following existing paved roads: Quarter 1: 2 1) 1 Speed humps constructed in Roman Street, Ward 15 2) 1 Speed humps constructed in Matyeka Street, Ward 15 Quarter 2: 4 1) 4 Speed humps constructed in Police Station Road, Ward 14 Quarter 3: 3 1 Speed hump constructed in Goud to Silobela Street, Ward 15 1 Speed hump constructed in Matjeka Street, Ward 22	A) Reason for Overachieving Target: Additional speed humps were installed to reduce and calm traffic-related incidents. B) Corrective Action: None.	12,00	10,00	13,00	3,90

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			1 Speed hump constructed in Tycon Street, Ward 22 Quarter 4: 4 2 Speed hump constructed in Tjakastad Main Road, Ward 18 1 Speed hump constructed in Roman Catholic Street, Ward 22 1 Speed hump constructed in Roman Catholic Street, Ward 22					
Roads	2.19.6	Percentage of reported pothole complaints resolved within standard municipal response time (3 days)	Numerator: 6* *Total number of pothole complains attended within 3 days after being reported: Quarter 1: 0 Quarter 2: 2 Quarter 3: 4 Quarter 4: 0 Total: 0 + 2 + 4 + 0 = 6 Denominator: 6*	N/A - Target achieved	N/A- New KPI	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			*Total number of pothole complains reported in the 2024/25 financial year. Quarter 1: 0 Quarter 2: 2 Quarter 3: 3 Quarter 4: 0 Total: 0 + 2 + 4 + 0 = 6 Calculations: 6/6 = 100%					
Electro Mechanics	2.20	Percentage of boreholes repaired within 5 days after being reported	Numerator: 154 Total number of boreholes repaired and maintained within 5 days after being reported during the 2024/25 financial year. July 2024: 13 August 2024: 15 September 2024: 12 October 2024: 12 November 2024: 11 December 2024: 10 January 2025: 15 February 2025: 18 March 2025: 16	N/A - Target Achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			April 2025: 11 May 2025: 14 June 2025: 7 Total: 13 + 15 + 12 + 12 + 11 + 10 + 15 + 18 + 16 + 11 + 14 + 7 = 154 Denominator: 154 Total number of boreholes reported during the 2024/25 financial year. July 2024: 13 August 2024: 15 September 2024: 12 October 2024: 12 November 2024: 11 December 2024: 10 January 2025: 15 February 2025: 18 March 2025: 16 April 2025: 11 May 2025: 14 June 2025: 7 Total: 13 + 15 + 12 + 12 + 11 + 10 + 15 + 18 + 16 + 11 + 14 + 7 = 154					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Calculations: 154/154 = 100%					
Electro Mechanics	2.20.1	Percentage of pumps and motors repaired within 3 days after being reported.	Numerator: 52 - Total number of pumps and motors repaired within 3 days after being reported during the 2024/25 financial year* * Number of pumps and motors repaired and maintained: July 2024: 5 August 2024: 4 September 2024: 2 October 2024: 2 November 2024: 1 December 2024: 3 January 2025: 3 February 2025: 2 March 2025: 5 April 2025: 4 May 2025: 12 June 2025: 9 Total: 5 + 4 + 2 + 2 + 1 + 3 + 3 + 2 + 5 + 4 + 12 + 9 = 52 Denominator:	N/A - Target achieved	97,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			52 - Total number of pumps and motors reported in the 2024/25 financial year. July 2024: 5 August 2024: 4 September: 2 October 2024: 2 November 2024: 1 December 2024: 3 January 2025: 3 February 2025: 2 March 2025: 5 April 2025: 4 May 2025: 12 June 2025: 9 Total: 5 + 4 + 4 + 2 + 1 + 3 + 3 + 2 + 5 + 4 + 12 + 9 = 52 Calculations: 52/52 = 100%				
Electro Mechanics	2.20.2	Percentage of pumps and motors repaired within 3 days after being reported.	Numerator: 52 - Total number of pumps and motors repaired within 3 days after being reported during the 2024/25 financial year*	N/A - Target achieved	93,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			* Number of pumps and motors repaired and maintained: July 2024: 5 August 2024: 4 September 2024: 2 October 2024: 2 November 2024: 1 December 2024: 3 January 2025: 3 February 2025: 2 March 2025: 5 April 2025: 4 May 2025: 12 June 2025: 9 Total: 5 + 4 + 2 + 2 + 1 + 3 + 3 + 2 + 5 + 4 + 12 + 9 = 52 Denominator: 52 - Total number of pumps and motors reported in the 2024/25 financial year. July 2024: 5 August 2024: 4 September: 2 October 2024: 2 November 2024: 1 December 2024: 3				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			January 2025: 3 February 2025: 2 March 2025: 5 April 2025: 4 May 2025: 12 June 2025: 9 Total: 5 + 4 + 4 + 2 + 1 + 3 + 3 + 2 + 5 + 4 + 12 + 9 = 52 Calculations: 52/52 = 100%					
Electro Mechanics	2.20.3	Percentage of service delivery vehicles attended to within 5 days of being reported	Numerator: 15 - Total number of service delivery vehicles reported and attended to within 5 days Denominator: 92 - Total number of service delivery vehicles that were reported as requiring maintenance or servicing. Calculations: 15/92 = 16,3%%	A) Reason for not achieving the Target: The target could not be achieved due to the absence of an internal mechanic to service all delivery vehicles timeously. B) Corrective Action: An internal mechanic has since been appointed, and all vehicles will now be attended to promptly upon being reported.	100,00%	100,00%	18,00%	1,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								
Financial Management	4.1.2	Percentage of conditional grants spent	1) MIG Grant: 100% Actual Spent: R 110 426 000.00 Allocation: R 110 426 000.00 2) WSIG Grant: 100% Actual Spent: R 90 000 000.00 Allocation: R 90 000 000.00 3) RBIG Grant: 100% Actual Spent: R 255 173 000.00 Allocation: R 255 173 000.00 4) INEP Grant: 100% Actual Spent: R 6 610 000.00 Allocation: R 6 610 000.00 5) MDRG Grant: 100% Actual Spent: R 15 800 000.00 Allocation: R 15 800 000.00	N/A - Target achieved	100%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			6) MDRG Grant: 100% Actual Spent: R 11 862 000.00 Allocation: R 11 862 000.00					
Financial Management	4.1.5	Percentage of cost reduced on Operational Budget (TS only)	Numerator: R56 896 632.99 - Actual Expenditure, Denominator: R62 264 261 - Total Departmental Allocation (Operational Budget) Calculation: R56 896 632.99/R62 264 261 = 91% Therefore, the department saved 9% on operational budget	A) Reason for not achieving the Target: The budget allocation was limited, which made it impossible to realise additional savings within the operational budget. B) Corrective Action: Efforts will be made to identify and implement cost-saving measures in the next financial year to improve savings within the operational budget.	0,00%	25,00%	9,00%	1,08

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
Governance and Administration	5.4.2	Number of TS monthly reports submitted to Portfolio Committee meetings	1) July 2024 reports submitted to a meeting held 26 August 2024 2) August 2024 reports submitted to a meeting held 13 September 2024 3) September 2024 reports submitted to a meeting held 15 October 2024 4) October 2024 reports submitted to a meeting held 12 November 2024 5) November 2024 reports submitted to a meeting held 10 December 2024 6) December 2024 reports submitted to a meeting held 13 January 2025 7) January 2025 reports submitted to a meeting held 11 February 2025 8) February 2025 reports submitted to a	A) Reason for not achieving the Target: The report could not be submitted as there were no portfolio committee meetings convened due to the pending appointment of the Mayoral Committee. B) Corrective Action: None	12,00	12,00	11,00	2,75

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			meeting held 14 March 2025 9) March 2025 reports submitted to a meeting held 15 April 2025 10) April 2025 reports submitted to a meeting held 16 May 2025 11) May 2025 reports submitted to a meeting held 12 June 2025					
Performance Management	5.5.1	% of staff members with completed performance reviews (TS only)	Numerator: 790* * Total number of TS employees with completed performance appraisals, made up as follows: 1) 2024/25 - 1st Quarter: 197 employees completed the Performance Appraisals 2) 2024/25 - 2nd Quarter: 197 employees completed the Performance Appraisals 3) 2024/25 - 3rd Quarter: 199 employees completed	N/A - Target achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			the Performance Appraisals 4) 2024/25 - 4th Quarter: 197 employees completed the Performance Appraisals Denominator: 790* * Total number of TS staff members recorded on the Performance Appraisal System, made up as follows: 1) 2024/25 - 1st Quarter: 197 employees (TS only) 2) 2024/25 - 2nd Quarter: 197 employees (TS only) 3) 2024/25 - 3rd Quarter: 199 employees (TS only) 1) 2024/25 - 4th Quarter: 197 employees (TS only) Calculation: 790/790 = 100%					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Risk Management	5.9.3	Number of quarterly progress reports on corrective action to address strategic and operational risks - TS	Quarterly progress reports on corrective action to address strategic and operational risks submitted to Risk Management Committee meeting held 1) 02 August 2024, Item 8.2 2) 21 October 2024, Item 8.2 3) 10 January 2025, Item 8.2 4) 26 June 2025, Item 8.2	N/A - Target achieved	N/A- New KPI	4,00	4,00	3,00

Corporate Services – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION								
Records Management	1.1	Number of capacity building programs conducted on EDMS	EDMS training held 10 September 2024 at Carolina Fire Station	N/A - Target Achieved	2,00	1,00	1,00	3,00
Records Management	1.2	Document management strategy approved	Records management policies for 2025/26 financial year approved on Council meeting held 25 June 2025, reference CL1.071	N/A - Target Achieved	0,00	1,00	1,00	3,00
Institutional Capacity Development	1.3	Number of skills audits conducted	N/A - Target relevant to 2026/27	N/A - Target relevant to 2026/27	N/A - New KPI	N/A - Target relevant to 2026/27	0w	

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Institutional Capacity Development	1.3.1	Number of information Sharing conducted on Skills audit	Information Sharing session meetings were conducted as follows: 1) 26 March 2025 - Ekulindeni Unit Office 2) 26 March 2025 - Elukwatini Unit Office 3) 27 March 2025 - Empuluzi Unit Office 4) 28 March 2025 - Carolina Council Chamber 5) 31 March 2025 - Emanzana Unit Office 6) 19 May 2025 - Empuluzi Unit Office 7) 20 May 2025 - Elukwatini Unit Office 8) 21 May 2025 - Emanzana Unit Office 9) 22 May 2025 - Ekulindeni Unit Office 10) 23 May 2025 - Carolina Office	N/A - Target Achieved	6,00	10,00	10,00	3,00
Institutional Capacity Development	1.4	Percentage of critical vacant posts filled	Numerator: Number of identified critical positions (post level 3 and above) filled during the period July 2024 to June 2025. The following positions were filled Jul - June 2025 1) Chief of Staff - 02/12/2024 2) Manager Ekulindeni Unit - 03/03/2025 Denominator: Number of vacant or newly budgeted critical positions (post level 3 and above) as per the approved organogram: 1) Chief of Staff (Office of the Executive Mayor) 2) Director Technical Services 3) Manager Ekulindeni Unit	N/A - Target Achieved	100%	100%	67%	2,01

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Calculations: 2/3 = 67%					
Institutional Capacity Development	1.4.1	Review and approval of CALM organisational structure (Annual)	CALM organisational structure approved	N/A - Target Achieved	1,00	1,00	1,00	3,00
Institutional Capacity Development	1.4.2	% of employees from previously disadvantaged groups appointed in the highest levels of management as per the approved EE plan by 30 June 2025 (GKPI)	Numerator: 39 - Number of black people, women and people with disabilities appointed in the 3 highest levels of management (Senior and Top Management - level 3 and above) Denominator: 39 - Total staff compliment (Senior Management and Top Management - level 3 and above) Calculation: 39/39 = 100%	N/A - Target Achieved	100%	85%	100%	3,53

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Institutional Capacity Development	1.4.3	% of new appointees attending induction training	"Numerator: 22 The following employees has attended induction training: 1) Nokuthula Nhlabathi - Labour Relation Officer 2) Lindokuhle Sarah Mpinga - Senior Committees Clerk 3) Ignatia Sikwambane - Data Capturer 4) Tshepo Maseko - Senior Internal Auditor 5) Mandla Xaba - Mayoral Aider 6) Zinele Mazibuko - Mayoral Aider 7) Mbuso Nkosi -- Chief of Staff 8) Mndawe Sindisiwe Precious - Process Controller 9) Nkosi Abel Daantjie - Process Controller 10) Thabethe Kenin Nhlakanipho - Assistant Town Planner 11) Ngobeni Suprise Sandile - Driver Office of the Executive Mayor 12) Malaza Sthembile Gladys - Process Controller 13) Hlatshwayo Phethile Eunice - Process Controller 14) Nofemele Gcinuthando Glorious - Senior Fleet Clerk 15) Zondo Themba December - Senior Admin Clerk PMS 16) Jele Jabulani Jetro - Fleet Officer 17) Ndlovu Ayanda Lindokuhle - Senior Admin Officer 18) Madonsela Sbusiso Wellington - Process Controller	N/A - Target Achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			19) Zulu Lerato Gratitude - Legal Clerk 20) Ngomane Oupa Patrick - Unit Manager Ekulindeni 21) Theodorah Msibi - Assistant Accountant 22) Nqobile Mkhonto - Accountant Asset Management Denominator: 22 The following employees should have attended the induction training: 1) Nokuthula Nhlabathi - Labour Relation Officer 2) Lindokuhle Sarah Mpinga - Senior Committees Clerk 3) Ignatia Sikwambane - Data Capturer 4) Tshepo Maseko - Senior Internal Auditor 5) Mandla Xaba - Mayoral Aider 6) Zinele Mazibuko - Mayoral Aider 7) Mbuso Nkosi -- Chief of Staff 8) Mndawe Sindisiwe Precious - Process Controller 9) Nkosi Abel Daantjie - Process Controller 10) Thabethe Kenin Nhlakanipho - Assistant Town Planner 11) Ngobeni Suprise Sandile - Driver Office of the Executive Mayor 12) Malaza Sthembile Gladys - Process Controller 13) Hlatshwayo Phethile Eunice - Process Controller 14) Nofemele Gcinuthando Glorious - Senior Fleet Clerk					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			15) Zondo Themba December - Senior Admin Clerk PMS 16) Jele Jabulani Jetro - Fleet Officer 17) Ndlovu Ayanda Lindokuhle - Senior Admin Officer 18) Madonsela Sbusiso Wellington - Process Controller 19) Zulu Lerato Gratitude - Legal Clerk 20) Ngomane Oupa Patrick - Unit Manager Ekulindeni 21) Theodorah Msibi - Assistant Accountant 22) Nqobile Mkhonto - Accountant Asset Management Calculations 22/22 = 100%"					
Institutional Capacity Development	1.4.4	% staff turnover rate YTD	Numerator: Total # of resignations tendered by permanent employees during the period 01 July 2024 - 30 June 2025: Total = 5 The following employees resigned during the period July'24 - June 2025: 1) JP Mngomezulu - (Resignation date: 31/07/2024) 2) SM Shabangu - (Resignation date: 30/08/2024) 3) ML Chirwa - (Resignation date: 28/02/2025) 4) KM Manyelo - (Resignation date: 30/04/2025) 5) OG Hlophe - (Resignation date:	N/A - Target Achieved	0%	5%	1%	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			30/05/2025) Denominator: 463 - Total # of employees on the monthly payroll as at 30 June 2025 % turnover =5/463 = 1.1%					
Institutional Capacity Development	1.4.5	Submission of Employment Equity Report to the Department of Labour	Confirmation of submission dated 14 January 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
Institutional Capacity Development	1.4.6	Number of Customer satisfaction surveys conducted	Customer survey was conducted during quarter 1,2,3&4	N/A - Target Achieved	4,00	4,00	4,00	3,00
Institutional Capacity Development	1.4.7	Number of Local Labour Forum meetings held	The following Local Labour Forum meetings were held: 1) 18 July 2024 2) 29 August 2024 3) 10 September 2024 4) 29 October 2024	. A) Reason for Overachieving Target: Due to follow ups meetings to facilitate the approval of HR policies with	9,00	8,00	10,00	3,75

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			5) 18 December 2024 6) 06 February 2025 7) 28 March 2025 8) 08 May 2025 9) 14 May 2025 10) 27 June 2025	stakeholder's. B) Corrective Action: None.				
Institutional Capacity - OHS	1.4.8	Number of quarterly Occupational Health and Safety (OHS) reports submitted to the Office of the Municipal Manager	1) First quarter reporting done as follows: - July 2024 submitted to MM office 31 July 2024 - August 2024 submitted to MM office 31 August 2024 - September 2024 submitted to MM office 29 September 2024 2) Second quarter reporting done as follows: - October 2024 submitted to MM office 31 October 2024 - November 2024 submitted to MM office 30 November 2024 3) Third quarter reporting done as follows: - January 2025 submitted to MM office 31 January 2025 - February 2025 submitted to MM office 29 February 2025 - March 2025 submitted to MM office 31	N/A - Target Achieved	4,00	4,00	4,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			March 2025 4) Fourth quarter reporting done as follows: - April 2025 submitted to MM office 30 April 2025 - May 2025 submitted to MM office 31 May 2025 - June 2025 submitted to MM office 30 June 2025					
Institutional Capacity - OHS	1.4.9	Number of quarterly health and safety inspections conducted	1) OHS Inspection Programme held at Elukwatini Unit 24 July 2024 2) Carolina Water Treatment & Waste Water Treatment Works conducted on 31 July 2024 3) Carolina Water Treatment Water Works conducted on the 19 August 2024 4) Carolina Sewer Treatment Plant Conducted on the 12 December 2024 5) Empuluzi Water Treatment Plant Conducted on the 26 March 2025 6) OHS Site Visit Sewer Treatment Plant & Water Treatment Plant Conducted on the 20 May 2025 7) Carolina Water Treatment Sewer Plant & Sewer Treatment Plant Conducted on the 19 May 2025 8) Ekulindeni unit conducted on 27 May 2025 9) Inspection & Confirmation of Building sizes of Elukwatini Fire Station Building	A) Reason for Overachieving Target: Request from TS department B) Corrective Action: None	6,00	4,00	9,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Conducted on the 25 June 2025					
Institutional Capacity - OHS	1.4.10	Number of employee wellness programmes conducted	1) M-Pox Employee Wellness Programme held at Carolina Town on the 20th of August 2024 2) M-Pox Employee Wellness Programme held at Emanzana on the 20th of August 2024 3) M-Pox Employee Wellness Programme held at Elukwatini on the 21st of August 2024 4) M-Pox Employee Wellness Programme held at Empuluzi on the 22nd of August 2024 5) Health & Safety wellness programme for Employees on M-Pox Disease Held at Microsoft Teams on the 23 August 2024 6) Employee wellness Financial Education Held at Carolina Head Office Town Hall on the 29 October 2024 7) Employee wellness Financial Education Held at Ekulindeni Unit offices on the 30 October 2024 8) Employee wellness Financial Education Held at Elukwatini Unit offices on the 30 October 2024 9) Employee wellness Financial Education Held at Empuluzi Unit offices on the 31 October 2024 10) Employees Wellness & Recognition Held at Empuluzi The Essence Resort on the 29	A) Reason for Overachieving Target: Several interventions were in demand to assist employees who had different challenges affecting their performance. B) Corrective Action: None.	8,00	8,00	16,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			November 2024 11) Trauma Counselling Session planned for fire personnel held at Emanzana Unit Office Boardroom on the 27 March 2025 12) Medical Surveillance Programme held 08 April 2025 at Empuluzi Unit Office 13) Medical Surveillance Programme held 09 April 2025 at Elukwatini Unit Office 14) Medical Surveillance Programme held 10 April 2025 at Carolina Unit Office 15) Medical Surveillance Programme held 11 April 2025 at Emanzana Unit Office 16) Second Dose Vaccination for Hepatitis & Tetanus Virus Programme held 30 May 2025 at CALM Offices					
Institutional Capacity Development	1.5	% of allocated budget spent on implementing the Workplace Skills Plan (GKPI) by 30 June	Numerator: R348 757.29 - Actual training Expenditure for the period 1 July 2024 to 30 June 2025 Denominator: R356 462.65 - Total budget allocated for implementing WSP for the period July 2024 - June 2025 Calculation: R348 757.29/R356 462.65 = 98%	N/A - Target Achieved	27%	90%	98%	3,27

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Institutional Capacity Development	1.5.1	% of staff trained against internal training plan by 30 June 2025	Numerator: 10* * Total number of staff trained against the internal plan Denominator: 15* * Total number of staff in the training plan Calculations: 10/15 = 67%	A) Reason for not Achieving Target/Current Challenges: There was no pool of accredited service providers with the required experience and expertise available on the panel. B) Corrective Action: The SCM unit will appoint a pool of competent service providers for training and development to serve on panels.	92%	90%	67%	2,23
Institutional Capacity Development	1.5.2	Approved Workplace Skills Plan and Annual Training Report submitted to LG SETA on or before 30 April	Workplace Skills Plan and Annual Training Report submitted to LG SETA on 30 April 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
Institutional Capacity Development	1.5.3	Number of Workshops, seminars and conferences held to ensure	1) 04-08 November 2024 Accredited Multi-Stream Municipal Governance Training Programme held at Nkangala District Municipality 2) 25-26 November 2024 Records	N/A - Target Achieved	8,00	8,00	8,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
		that Councillors are informed and trained on Local Government trends	Management Training Programme held at Cogta offices 3A Riverside Bouvelard Riverside park 3) 27-28 November 2024 Asset Management Programme held at Cogta offices 3A Riverside Bouvelard Riverside park 4) 24-28 February 2025 Integrated Councillor Executive Development Programme held at Nutting House 5) 13 March 2025 - Induction for Local Labour Forum Committee Members held at Emanzana Ndalo Hotel 6) 7th Annual Local Government Labour Law Seminar held on the 24-25 March 2025 7) 04-05 June 2025 - Oversight Accountability and Consequence Management Session held at The Capital Hotel Mbombela 8) 23-27 June 2025 - Integrated Councillor Development Programme held at Ehlanzeni Municipality					
Legal Services	1.6	Establish Municipal Court	Municipal Court not established	A) Reason for not Achieving Target/Current Challenges: The establishment of a municipal court is a complex and regulated process that requires formal approvals from both the Department of Justice (DoJ) and the National Prosecuting	0,00	1,00	0,00	1,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
				Authority (NPA). Approval from the DoJ is necessary to authorize the Municipality to adjudicate its matters, while the NPA's approval is required to allow the Municipality to prosecute cases, as prosecutorial authority is legally reserved to the NPA. The Municipality is therefore dependent on these statutory approvals, which has delayed the establishment of the court. B) Corrective Action: The Municipality has followed up with the DoJ, which has escalated the request to the Office of the Secretary-General for consideration. A request has also been submitted to the NPA, and a response is still awaited.				
Legal Services	1.6.1	Monthly reports on legal matters submitted to CS Portfolio	1) July 2024 reports submitted to a meeting held 20 August 2024 2) August 2024 reports submitted to a meeting held 12 September 2024 3) September 2024 reports submitted to a meeting held 18 October 2024	A) Reason for not achieving the Target: The report could not be submitted as there were no portfolio committee meetings convened due to the pending	10,00	12,00	11,00	2,75

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
		Committee meeting	4) October 2024 reports submitted to a meeting held 14 November 2024 5) November 2024 reports submitted to a meeting held 12 December 2024 6) December 2024 reports submitted to a meeting held 10 January 2025 7) January 2025 reports submitted to a meeting held 13 February 2025 8) February 2025 reports submitted to a meeting held 13 March 2025 9) March 2025 reports submitted to a meeting held 16 April 2025 10) April 2025 reports submitted to a meeting held 15 May 2025 11) May 2025 reports submitted to a meeting held 12 June 2025	appointment of the Mayoral Committee. B) Corrective Action: None				
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								
Financial Management	4.1.5	Percentage of cost reduced on Operational Budget (CS only)	Numerator: R69 332 564.4 - Actual Expenditure, Denominator: R73 513 213 - Total Departmental Allocation (Operational Budget) Calculation: R69 332 564.4/R73 513 213 = 94%	A) Reason for not Achieving Target/Current Challenges: The target has been achieved; however, it was noted that there was an issue of incorrect mapping by the Finance Directorate. B) Corrective Action: Correct mapping of votes is required.	32%	25%	6%	1,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Therefore, the department saved 6% on operational budget					
Revenue Management	4.1.7	Revenue collected from leasing of community Halls.	July 2024: R19 908,30 August 2024: R11 684,99 September 2024: R12 357,69 October 2024: R19 900,95 November 2024: R11 245,14 December 2024: R7 149,21 January 2025: R15 270,43 February 2025: R4 643,62 March 2025: R9 779,66 April 2025: R7 666,33 May 2025: R9 478,26 June 2025: R12 841,99 Total: R19 908,30 + R11 684,99 + R12 357,69 + R19 900,95 + R11 245,14 + R7 149,21 + R15 270,43 + R4 643,62 + R9 779,66 + R7 666,33 + R9 478,26 + R12 841,99 = R141 926,57	A) Reason for Overachieving Target: Some of the municipal community halls have been renovated and are now attractive to the community. B) Corrective Action: None	84109,19	100000	141926,57	4,26
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
ICT	5.1	Percentage availability of	98% - Average uptime during quarter 4	N/A - Target Achieved	98,00%	98,00%	98,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
		IT system infrastructure						
ICT	5.1.1	Number of quarterly ICT Steering Committee meetings held	1) ICT Steering Committee meeting was held on 25 September 2024 2) ICT Steering Committee Meeting was held on 05 December 2024 3) ICT Steering Committee Meeting was held on 31 March 2025 4) ICT Steering Committee Meeting was held on 25 June 2025	N/A - Target Achieved	4,00	4,00	4,00	3,00
ICT	5.1.2	Number of ICT Security Reports submitted to Oversight Committee	1) ICT Security Report for the period ending September 2024 submitted to the Risk Management Committee meeting held 02 August 2024 2) ICT Security Report for the period ending December 2024 submitted to the Risk Management Committee meeting held 29 October 2024 3) ICT Security Report for the period ending March 2025 submitted to the Risk Management Committee meeting held 10 January 2025 4) ICT Security Report for the period ending 30 June 2025 submitted to the Risk Management Committee meeting held 26 June 2025	N/A - Target Achieved	4,00	4,00	4,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Communications	5.2	Number of Local Communication meetings held	The following Local Communications forum meetings were held: 1) 02 August 2024 at Empuluzi Unit Office 2) 25 October 2024 Emanzana Unit Office 3) 14 November 2024 SCM Boardroom 4) 23 April 2025 virtual on Microsoft Teams	N/A - Target Achieved	0,00	4,00	4,00	3,00
Communications	5.2.1	Number of External newsletters (Insight) developed and distributed	1) Quarter 1 External newsletters (Insight) developed and distributed 2) Quarter 2 External newsletters (Insight) developed and distributed 3) Quarter 3 External newsletters (Insight) developed and distributed 4) Quarter 4 External newsletters (Insight) developed and distributed	N/A - Target Achieved	4,00	4,00	4,00	3,00
Governance and Administration	5.3	Number of Council meetings	Council Meetings were held as follows: 1) 31 July 2024 2) 29 August 2024 3) 27 September 2024 4) 21 October 2024 5) 30 October 2024 6) 12 November 2024 7) 22 November 2024 8) 23 January 2025	A) Reason for Overachieving Target: There were special council meetings held to consider urgent matters of compliance. B) Corrective Action: None	10,00	8,00	13,00	4,88

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			9) 26 February 2025 10) 31 Mach 2025 11) 30 April 2025 12) 28 May 2025 13) 25 June 2025					
Governance and Administration	5.3.1	Number of Mayoral Committee meetings coordinated	Mayoral Committee meetings coordinated: 1) 26 July 2024: held virtual on Microsoft Teams App 2 14 August 2024: held virtual on Microsoft Teams App 3) 28 August 2024: held at Elukwatini Municipal Boardroom 4) 29 August 2024: held virtual on Microsoft Teams App 5) 27 September 2024: held virtual on Microsoft Teams App 6) 01 October 2024: held virtual on Microsoft Teams App 7) 23 October 2024: held at Municipal Committee Room Carolina 8) 30 October 2024 held at Carolina Council Chamber 9) 12 November 2024 held on Microsoft Teams App 10) 22 November 2024 held on Microsoft Teams App	A) Reason for Overachieving Target: There were special mayoral meetings to consider urgent matters of compliance. B) Corrective Action: None	14,00	12,00	22,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			11) 27 November 2024 held on Microsoft Teams App 12) 09 December 2024 held at Elukwatini Municipal Boardroom 13) 15 January 2025: held virtual on Microsoft Teams App 14) 23 January 2025: held at Carolina Council Chamber 15) 19 February 2025: held virtual on Microsoft Teams App 16) 26 February 2025: held virtual on Microsoft Teams App 17) 31 March 2025: held virtual on Microsoft Teams App 18) 23 April 2025: held at Carolina Council Chamber 19) 30 April 2025: held at Carolina Council Chamber 20) 21 May 2025: held virtual on Microsoft Teams App 21) 28 May 2025: held virtual on Microsoft Teams App 22) 23 June 2025: held virtual on Microsoft Teams App					
Governance and Administration	5.3.2	Number of CS monthly reports submitted to Portfolio	1) July 2024 reports submitted to a meeting held 20 August 2024 2) August 2024 reports submitted to a meeting held 12 September 2024 3) September 2024 reports submitted to a	A) Reason for not achieving the Target: The report could not be submitted as there were no portfolio committee meetings	10,00	12,00	11,00	2,75

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
		Committee meetings	meeting held 18 October 2024 4) October 2024 reports submitted to a meeting held 14 November 2024 5) November 2024 reports submitted to a meeting held 12 December 2024 6) December 2024 reports submitted to a meeting held 10 January 2025 7) January 2025 reports submitted to a meeting held 13 February 2025 8) February 2025 reports submitted to a meeting held 13 March 2025 9) March 2025 reports submitted to a meeting held 16 April 2025 10) April 2025 reports submitted to a meeting held 15 May 2025 11) May 2025 reports submitted to a meeting held 12 June 2025	convened due to the pending appointment of the Mayoral Committee. B) Corrective Action: None				
Governance and Administration	5.3.3	Number of MPAC meetings coordinated	The following MPAC meetings were coordinated: - 01 July 2024 held at Committee Room Carolina - 03 July 2024 held at Committee Room Carolina - 10 July 2024 held at Elukwatini Disaster management Centre - 04 September 2024 held at Emanzana Unit office - 31 October 2024 held at Committee Room Carolina - 25 February 2025 held at Carolina Town	A) Reason for Overachieving Target: There were issues referred to MPAC by Council. B) Corrective Action: None	8,00	4,00	11,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Hall - 26 February 2025 held at Emanzana Municipal Boardroom - 11 March 2025 held at Elukwatini Community Hall - 12 March 2025 held at Glenmore Community Hall - 14 March 2025 held Steynsdorp Community Hall - 24 April 2025 held at Microsoft Team App					
Governance and Administration	5.3.4	Number of Section 79 oversight committees coordinated	"Section 79 oversight committees coordinated as follows: 1) 08 August 2024: TS Section 79 Oversight Committee 2) 14 August 2024: Multiparty Women's Caucus 3) 21 August 2024: Multiparty Women's Caucus 4) 19 September 2024: PED Section 79 Oversight Committee 5) 19 September 2024: Calm Local Geographical Naming, Rules, Ethics and Petition Committee Meeting 6) 30 September 2024 Policies and By-Laws Committee Meeting 7) 21 October 2024 TS Section 79 Oversight Committee 8) 22 October 2024 TS Section 79 Oversight Committee	"A) Reason for Overachieving Target: There were issues needed Section 79 committee. B) Corrective Action: None"	26,00	24,00	32,00	4,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			9) 06 November 2024 CS Section 79 Oversight Committee 10) 12 November 2024 CALM Policies By-laws Committee 11) 13 November 2024 FS Section 79 Oversight Committee 12) 14 November 2024 CSS Section 79 Oversight Committee 13) 21 November 2024 CALM Policies By-laws Committee 14) 25 November 2024 Special Meeting of PED Section 79 Oversight Committee 15) 27 November 2024 TS Section 79 Oversight Committee 16) 05 December 2024 Special Meeting of PED Section 79 Oversight Committee 17) 10 January 2025 Community Safety Services Section 79 Oversight Committee held virtually on Microsoft Teams app 18) 13 January 2025 Finance Section 79 Oversight Committee held virtually on Microsoft Teams app 19) 15 January 2025 Corporate Services Section 79 Oversight Committee held virtually on Microsoft Teams app 20) 17 January 2025 Technical Services Section 79 Oversight Committee held at Council Chamber Carolina 21) 17 February 2025 Inspection in Loco on the 2022/23 Capital Projects held at Elukwatini					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			22) 18 February 2025 Inspection in Loco 2022/23 Capital Projects held at Empuluzi 23) 21 February 2025 Inspection in Loco 2022/23 Capital Projects held at Carolina 24) 21 February 2025 Inspection in Loco 2022/23 Capital Projects held at Emanzana 25) 23 April 2025 PED Section 79 Oversight Committee held virtually on Microsoft Teams app 26) 05 May 2025 Women Multiparty Commission of CALM held at Committee Room Carolina 27) 08 May 2025 Women Multiparty Commission of CALM held at Committee Room Carolina 28) 21 May 2025 Technical Services Section 79 Oversight Committee held at Municipal Boardroom Elukwatini Municipal Offices 29) 27 May 2025 Technical Services Section 79 Oversight Committee held at Elukwatini Unit Office 30) 27 May 2025 Corporate Services Section 79 Oversight Committee held at Committee Room Carolina 31) 04 June 2025 Finance Services Section 79 Oversight Committee held at Municipal Council Chamber Carolina 32) 20 June 2025 PED Section 79 Oversight Committee held virtually on Microsoft Teams app"					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Governance and Administration	5.3.5	Number of Mayoral Imbizo held	The following Mayoral Imbizo was held: 1) 30 August 2024: Mayoral Imbizo held at Fernie B Sport Ground 2) 13 December 2024 Mayoral Imbizo at Ekulindeni Community Hall 3) Mayoral Imbizo held 06 March 2025 at Tinkulungwane Hall 4) Mini Mayoral Imbizo held 23 June 2025 at Manzana Dlamini E	N/A - Target Achieved	3,00	4,00	4,00	3,00
Governance and Administration	5.3.6	Number of Departmental Service Charter reviewed	Service Charter adopted by Council on 25 June 2025, item reference C020/06/25R	N/A - Target Achieved	0,00	1,00	1,00	3,00
Governance and Administration	5.3.7	# of quarterly Council meetings attended by one or more traditional leaders	The following Council meetings were attended by the Traditional Leaders: 1) 23 January 2025 - N.P Nkosi (Esandleni Traditional Council) 2) 30 April 2025 - GB Shabangu (Ndlela Traditional Council) - Prince Soshinyosi (Embuleni Traditional Council) 3) 28 May 2025 - NP Nkosi	A) Reason for not Achieving Target/Current Challenges: Invites are sent to traditional leaders to attend Council meetings. However, traditional leaders do not attend most of the Council meetings. B) Corrective Action:	1,00	4,00	3,00	2,25

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			(Esandleni Traditional Council) - SC Sibisi (Enikwakuyengwa Traditional Council) - GL Mayisela (Enikwakuyengwa Traditional Council)	To request CoGTA and Office of the Speaker to intervene.				
Governance and Administration	5.4.	Number of Ward Community meetings held	Quarter 1: 23 Quarter 2: 21 Quarter 3: 22 Quarter 4: 25 Total: 23 + 21 + 22 + 25 = 91	A) Reason for not Achieving Target/Current Challenges: Meetings were held but the POE is missing B) Corrective Action: The matter will be reported to the Honorable Speaker, who will take the necessary steps to ensure that meetings are convened and that the required PoE is properly submitted.	300,00	100,00	91,00	2,73
Governance and Administration	5.4.1	Number of Ward Committee meetings held	Quarter 1: 71 Quarter 2: 66 Quarter 3: 73 Quarter 4: 67 Total: 71 + 66 + 73 + 67 = 277	A) Reason for not Achieving Target/Current Challenges: Meetings were held but the POE is missing B) Corrective Action:	300,00	300,00	277,00	2,77

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
				The matter will be reported to the Honorable Speaker, who will take the necessary steps to ensure that meetings are convened and that the required PoE is properly submitted.				
Performance Management	5.5.1	% of staff members with completed performance reviews (CS only)	Numerator: 259* * Total number of employees with completed performance appraisals made up as follows: 1) 2024/25 - 1st Quarter: 63 employees completed the Performance Appraisals 2) 2024/25 - 2nd Quarter: 65 employees completed the Performance Appraisals 3) 2024/25 - 3rd Quarter: 67 employees completed the Performance Appraisals 1) 2024/25 - 4th Quarter: 64 employees completed the Performance Appraisals Denominator: 282* * Total number of CS staff members recorded on the Performance Appraisal System, made up as follows: 1) 2024/25 - 1st Quarter: 68 employees (CS only) 2) 2024/25 - 2nd Quarter: 70 employees (CS only)	A) Reason for not Achieving Target/Current Challenges: There was a resistance from some of the employees. B) Corrective Action: Induction and develop a program with clear timeframes for the PR	100%	100,00%	82,00%	2,46

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			3) 2024/25 - 3rd Quarter: 72 employees (CS only) 1) 2024/25 - 4th Quarter: 72 employees (CS only) Calculation: 259/282 = 82%					
Risk Management	5.9.3	Number of quarterly progress reports on corrective action to address strategic and operational risks - CS	Quarterly progress reports on corrective action to address strategic and operational risks submitted to Risk Management Committee meeting held 1) 02 August 2024, Item 8.2 2) 21 October 2024, Item 8.2 3) 10 January 2025, Item 8.2 4) 26 June 2025, Item 8.2	N/A - Target achieved	N/A- New KPI	4,00	4,00	3,00

Financial Services – Key Performance indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								
Financial Management	4.1	Number of unqualified audit opinion received	CALM received a qualified audit report	A) Reason for not Achieving Target/Current Challenges: The use of alternative methods of auditing receivables from prior years also experienced challenges/limitations furthermore challenges were experienced with auditing where the municipality could not adjust the submitted AFS due to time. B) Corrective Action: Audit action plan was developed to address the issues.	Qualified	1,00	0,00	1.00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Financial Management	4.1.1	Statutory Annual Financial Statements (AFS) submitted to AG on / before 31st August (annual)	2023/24 Annual Financial Statements submitted to the Auditor-General on the 31 August 2024	N/A - Target Achieved	1,00	1,00	1,00	3,00
Financial Management	4.1.3	Number of tariffs structures adopted by Council.	Tariffs structures adopted by Council on meeting held 28 May 2025	N/A - Target achieved	1,00	1,00	1,00	3,00
Financial Management	4.1.4	Current Ration maintained	Current ratio is at 1,4 within the accepted industry norm	N/A - Target achieved	1,45	0,20	1,40	5,00
Financial Management	4.1.5	Percentage of cost reduced on Operational	Numerator: R44 874 117,80 - Actual Expenditure, Denominator: R51 916 329 - Total Departmental Allocation (Operational Budget)	A) Reason for not achieving the Target: No further cost containment was possible because the budgeted line item amounts were	29%	25%	14%	1,68

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
		Budget (FS only)	Calculation: R44 874 117,80/R51 916 329 = 86% Therefore, the department saved 14 % on operational budget	already based on actual minimal expenditures. These figures reflected the lowest feasible costs required to maintain operational effectiveness, leaving no room for additional savings without compromising service delivery or quality. B) Corrective Action: Because cost containment has already been optimized to the lowest feasible level without compromising service delivery or quality, corrective actions will rather focus on revenue enhancement.				
Fleet Operational Cost	4.1.6	Number of petrol consumption report submitted to Accounting Officer	Petrol Consumption reports submitted to the accounting officer for the period of July 2024 to June 2025	A) Reason for Overachieving Target: Due to the Accounting Officer's request. B) Corrective Action: None	N/A - New KPI	4,00	12,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Asset Management	4.2	Number of updated asset registers maintained	Asset registers maintained during the period July 2024 to June 2025	A) Reason for Overachieving Target: Due to the Accounting Officer's request. B) Corrective Action: None	8,00	4,00	12,00	5,00
Asset Management	4.2.2	Number of Asset verifications performed by 30 June 2025	1) 2023/24 Annual verifications performed 2) Asset verifications performed in March 2025	N/A - Target Achieved	4,00	2,00	2,00	3,00
Asset Management	4.2.3	Number of re-assessments of useful lives, residual values and	Re-assessment of useful lives, residual values and impairment test were conducted on 04 August 2024	N/A - Target Achieved	1,00	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
		impairment test conducted						
Supply Chain Management	4.3	All departmental procurement plans approved by 30 June 2025	Departmental procurement plans approved on Council meeting held 28 May 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
Supply Chain Management	4.3.1	Updated contract registers submitted quarterly to MMs office	Updated contract registers submitted to MMs office	A) Reason for Overachieving Target: Due to the Accounting Officer's request. B) Corrective Action: None	7,00	4,00	12,00	5,00
Supply Chain Management	4.3.2	Quarterly Evaluations of Suppliers Performance	Quarterly Evaluations of Suppliers Performance conducted for: 1) Quarter 1 2) Quarter 2 3) Quarter 3 4) Quarter 4	N/A - Target Achieved	4,00	4,00	4,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Supply Chain Management	4.3.3	% of bids awarded within 90 days	100% bids awarded within 90 days	N/A - Target Achieved	100%	100%	100%	3,00
Supply Chain Management	4.3.4	Percentage of municipal goods and services procured from local businesses.	Quarter 1: Expenditure on local service providers - R3 304 972,60 Order's issued - R9 431 370,95 Calculations: R3 304 972,60/R9 431 370,95 = 35% Quarter 2: Expenditure on local service providers - R7 532 956.33 Order's issued - R28 333 825.70 Calculations: R7 532 956.33/R28 333 825.70 = 26.5% Quarter 3 Expenditure on local service providers - R2 346 841,39 Order's issued - R9 816 105,97 Calculations: R2 346 841,39/R9 816 105,97 = 24% Quarter 4	A) Reason for not achieving the Target: The majority of local service providers did not participate in projects involving large contractors or high-value contracts. B) Corrective Action: The LED office will be requested to facilitate workshops aimed at capacitating and encouraging local service providers to actively participate in such projects.	38%	30%	27%	2,70

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Expenditure on local service providers - R1 228 770,45 Order's issued - R5 746 621,58 Calculations: = R1 228 770,45 / R5 746 621,58 = 21% Total: 35% + 26,5% + 24% + 21%/4 = 27%					
Revenue Management	4.4	Complete and reliable supplementary valuation rolls approved	Reliable supplementary valuation rolls approved by the Accounting Officer on 30 May 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
Revenue Management	4.4.1	Percentage of Revenue collected from current billing	July 2024: 99% Total revenue collected - R16 372 993.40 Total Billed services - R16 486 461.13 August 2024: 26% Total revenue collected - R4 303 025.39 Total Billed services - R16 363 731.42 September 2024: 77% Total Billed services - R14 325 409.81	N/A - Target Achieved	58%	50%	77%	4,62

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Total Billed services - R11 009 487.75 October 2024: 71% Total revenue collected - R11 898 812.74 Total Billed services - R16 606 992.22 November 2024: 62% Total revenue collected - R9 688 340.31 Total Billed services - R15 715 397.14 December 2024: 44% Total revenue collected - R6 967 957.80 Total Billed services - R15 932 183. January 2025: 41% Total revenue collected - R6 081 281,11 Total Billed services - R14 844 656,35 February 2025: 44,32% Total revenue collected - R6 558 238,03 Total Billed services - R14 796 647,27 March 2025: 71% Total revenue collected - R19 931 650,52 Total Billed services - R14 335 468,11 April 2025: 55% Total revenue collected - R8 306 657,08 Total Billed services - R15 133 190,18				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			May 2025: 83% Total revenue collected - R30 987 311,81 Total Billed services - R14 090 998,86 June 2025: 57,24% Total revenue collected - R7 634 125,57 Total Billed services - R 13 334 814,83 Total: R181 965 950.32/139 739 881.51 = 77%					
Revenue Management	4.4.2	Percentage of Revenue collected from debts	Total Debts Revenue collected Jul-24: R551,718,345.46 - R4,303,025.39 Sep-24: R563,899,645.87 - R11,009,487.75 Oct-24: R567,594,349.43 - R11,898,812.74 Nov-24: R571,594,729.18 - R9,688,344.31 Dec-24: R579,368,176.51 - R6,967,957.80 Jan-25: R586,960,223.72 - R6,038,883.12 Feb-25: R594,166,663.60 - R6,558,238.03 Mar-25: R587,199,745.31 - R19,931,650.52 Apr-25: R566,000,386.25 - R8,306,657.08 May-25: R546,973,919.40 - R30,987,311.81 Jun-25: R551,631,631.15 - R7,634,125.57 Total: R6,832,187,195.90 - R139,697,487.52 Calculations: R139,697,487.52/R6,832,187,195.90 = 2%	A) Reason for not achieving the Target: Inability to implement credit control measures due to community resistance. B) Corrective Action: Political intervention required.	2%	15%	2%	1,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Revenue Management	4.4.3	Percentage of indigents Applications processed.	Numerator: 8102 - Total number of indigent applications received and processed during the period April 2025 to June 2025 Denominator: 8102 - Total number of indigent applications received during the period April 2025 to June 2025 Calculations: 8102/8102= 100%	N/A - Target Achieved	100%	100%	100%	3,00
Revenue Management	4.4.4	Percentage of revenue collected from government debts.	R2 436 464,77 - Outstanding government debts as 30 June 2025 Total Billed - R13 334 814,83 Revenue collected - R7 634 125,57 Government dept. collection - 16% (R6 412 665,47) Calculations: R6 412 665,47/R2 436 464,77 = 263% Therefore: Collection from Government dept. is more than the total debts.	N/A - Target Achieved	28%	85%	263%	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Revenue Management	4.4.5	Percentage of revenue collected from businesses.	12% - revenue collected from businesses.	A) Reason for not achieving the Target: Credit control measures are not implemented fully due to community resistance. B) Corrective Action: Political intervention required.	30%	55%	12%	1,00
Expenditure	4.5	Percentage of UIFW expenditure reduced	Unauthorized expenditure: 2024: 174,147,407 2025: 43,396,139 Irregular expenditure: 2024: 6,869,124 2025: 3,326,659 Fruitless and Wasteful expenditure: 2024: 3,768,815 2025: 4,525,814 Total: 2024: 184,147,407 2025: 51,250,637 Calculations: 184,147,407 - 51,250,637 X 100 = 72% 184,147,407	A) Reason for not Achieving Target/Current Challenges: The unauthorized expenditure resulted from over-expenditure on non-cash items, including depreciation, debt impairments, and losses incurred on the disposal of assets. Fruitless expenditure arose from the accrual of historical debt owed to the Department of Labour Compensation Fund. Irregular expenditure	0%	100,00%	72%	2,16

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
				occurred as a result of previous transactions where transparency with service providers was not adequately upheld, specifically in terms of communicating the evaluation method to service providers. B) Corrective Action: Develop a UIFW reductions strategy.				
Creditors	4.6	Percentage of service providers paid within 30 days	All service providers were paid within 30 days upon receipt of their invoices.	N/A - Target Achieved	100%	100%	100%	3,00
Budget Management and Reporting	4.7	Final MTREF Budget tabled and approved by Council by 31 May 2025	MTREF Budget tabled and approved on Council meeting held 28 May 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Budget Management and Reporting	4.7.1	Draft MTREF Budget tabled and approved by Council by 31 March 2025	Draft MTREF Budget was submitted to Council meeting held 31 March 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
Budget Management and Reporting	4.7.2	Adjustment budget finalised and submitted to Council for approval no later than 28 February 2025	Adjustment budget was submitted to Council meeting held 26 February 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
Budget Management and Reporting	4.7.3	Number of quarterly MFMA section 52(d) reports submitted to Council within 30 days of the end of each quarter	Section 52(d) reports submitted to Council meeting held 28 May 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Budget Management and Reporting	4.7.4	MFMA Section 72 (financial performance mid year) report submitted to Council by 25 January 2025	MFMA Section 72 (financial performance mid year) report submitted to Council held on the 23 January 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
Governance and Administration	5.4.2	Number of Financial Services Monthly reports submitted to portfolio Committee meetings	1) July 2024 reports submitted to a meeting held 22 August 2024 2) August 2024 reports submitted to a meeting held 13 September 2024 3) September 2024 reports submitted to a meeting held 17 October 2024 4) October 2024 reports submitted to a meeting held 15 November 2024 5) November 2024 reports submitted to a meeting held 12 December 2024 6) December 2024 reports submitted to a meeting held 13 January 2025 7) January 2025 reports submitted to a meeting held 14 February 2025 8) February 2025 reports submitted to a meeting held 14 March 2025 9) March 2025 reports submitted to a meeting held	A) Reason for not achieving the Target: The report could not be submitted as there were no portfolio committee meetings convened due to the pending appointment of the Mayoral Committee. B) Corrective Action: None	10,00	12,00	11,00	2,75

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			16 April 2025 10) April 2025 reports submitted to a meeting held 16 May 2025 11) May 2025 reports submitted to a meeting held 13 June 2025					
Governance and Administration	5.4.7	Percentage of Auditor General findings resolved as per the approved Audit Action plan by 30 June 2025	100% of Auditor General findings resolved as per the approved Audit Action plan	N/A - Target Achieved	100%	100%	100%	3,00
Performance Management	5.5.1	% of staff members with completed performance reviews (FS only)	Numerator: 200* * - Total number of employees with completed performance appraisals made up as follows: 1) 2024/25 - 1st Quarter: 50 employees completed the Performance Appraisals 2) 2024/25 - 2nd Quarter: 50 employees completed the Performance Appraisals 3) 2024/25 - 3rd Quarter: 50 employees completed the Performance Appraisals 4) 2024/25 - 4th Quarter: 50 employees completed the Performance Appraisals	N/A - Target Achieved	100%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Denominator: 200* * Total number of FS staff members recorded on the Performance Appraisal System, made up as follows: 1) 2024/25 - 1st Quarter: 50 employees (FS only) 2) 2024/25 - 2nd Quarter: 50 employees (FS only) 3) 2024/25 - 3rd Quarter: 50 employees (FS only) 4) 2024/25 - 4th Quarter: 50 employees (FS only) Calculation: 200/200 = 100%					
Risk Management	5.9.3	Number of quarterly progress reports on corrective action to address strategic and operational risks - FS	Quarterly progress reports on corrective action to address strategic and operational risks submitted to Risk Management Committee meeting held 1) 02 August 2024, Item 8.2 2) 21 October 2024, Item 8.2 3) 10 January 2025, Item 8.2 4) 26 June 2025, Item 8.2	N/A - Target achieved	N/A - New KPI	4,00	4,00	3,00

Office of the Municipal Manager – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								
Financial Management	4.1.5	Percentage of cost reduced on Operational Budget (MM only)	Numerator: R8,086,007.07 - Actual Expenditure Denominator: R8,271,542 - Total Departmental Allocation (Operational Budget) Calculation: R8,086,007.07/R8,271,542 = 98% Therefore, the department saved 2%	A) Reason for not Achieving Target/Current Challenges: OMM budget dominated by statutory expenses that is audit fees. B) Corrective Action: None	14%	25%	2%	1,00
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
Performance Management	5.5	% of staff members with a signed Performance	Numerator: 465 - Total number of employees with signed performance plans Denominator: 465 - Total number of CALM employees Calculations: 465/465 =100%	N/A - Target Achieved	100%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
		Plan (level 3 only)						
Performance Management	5.5.1	% of staff members with completed performance reviews (MM only)	Numerator: 38 * - Total number of employees with completed performance appraisals made up as follows: 1) 2024/25 - 1st Quarter 9 employees completed the Performance Appraisals 2) 2024/25 - 2nd Quarter 9 employees completed the Performance Appraisals 3) 024/25 - 1st Quarter 10 employees completed the Performance Appraisals 1) 2024/25 - 4th Quarter: 10 employees completed the Performance Appraisals Denominator: 38* * Total OMM staff members quarter 4 on Performance Appraisal System: 1) 2024/25 - 1st Quarter: 9 employees (OMM only) 2) 2024/25 - 2nd Quarter: 9 employees (OMM only) 3) 2024/25 - 3rd Quarter: 10 employees (OMM only) 4) 2024/25 - 4th Quarter: 10 employees (OMM only)	N/A - Target Achieved	100%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			Calculation: 38/38 = 100%					
Performance Management	5.6	Final SDBIP approved by Executive Mayor within 28 days after approval of Budget	2025/26 SDBIP approved within 28 days after approval of budget. Date of approval: Budget: 28 May 2025 SDBIP: 24 June 2025 In line with the KPI Technical Definition a score equal to target 1 was allocated.	N/A - Target Achieved	1,00	1,00	1,00	3,00
Performance Management	5.6.1	% of section 54A and section 56 managers Performance Agreements signed on time (at least within one month after commencement of new financial year or appointment)	Numerator: 6* * - The following Performance Agreements have been entered into: 1) MM - E Thabethe (17/07/2024) 2) CFO - MM Sekgobela (09/07/2024) 3) CS - SS Sibeko (09/07/2024) 4) CSS - SI Malaza (09/07/2024) 5) ATS - BP Thela (09/07/2024) 6) PED - LT Motloung (09/07/2024) Denominator: 6* * - The following 6 Director's positions were filled as at the end of July 2024:	N/A - Target Achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			1) MM - E Thabethe 2) CFO - MM Sekgobela 3) CS - SS Sibeko 4) CSS - SI Malaza 5) ATS - BP Thela 6) PED - LT Motloung Calculation: 6/6 = 100%					
Performance Management	5.6.2	Annual Performance Report submitted to AG on or before 31st August (annual)	2023/24 Annual Performance Report submitted to the Auditor-General on the 31 August 2024	N/A - Target Achieved	1,00	1,00	1,00	3,00
Performance Management	5.6.3	Revised SDBIP approved by Council after approval of adjustment budget	Revised SDBIP approved by Council on meeting held 26 February 2025.	N/A - Target Achieved	1,00	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Performance Management	5.6.4	Number of performance reviews conducted with Section 54A and Section 56 managers by 30 June 2025	1) 2024/25 Mid year performance reviews were conducted with Section 54A and Section 56 managers 2) 2023/24 Annual performance reviews were conducted with Section 54A and Section 56 managers	N/A - Target Achieved	2,00	2,00	2,0	3,00
Performance Management	5.6.5	Section 72 (midyear) MFMA reports submitted to Executive Mayor by 25 January 2025	2024/25 Mid-Year Performance Report submitted to Mayoral Committee meeting held 16 January 2024, Reference Item M02/01/2024/R	N/A - Target Achieved	1,00	1,00	1,00	3,00
Performance Management	5.6.6	Annual Review of approved PMS Framework and submission to Council	PMS Framework reviewed and approved on Council meeting held 25 June 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
Performance Management	5.6.7	Adopted Annual Report by end of January 2025	Annual Report adopted on Council held 23 January 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Performance Management	5.6.8	Adopted Oversight report on the Annual Report by 31 March 2025	Oversight Report adopted by Council on 31 March 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
Monitoring and evaluation	5.7	Monitoring and evaluation plan developed	Monitoring and Evaluation plan developed and submitted to the Accounting Officer on 30 June 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
Monitoring and evaluation	5.7.1	Submission of Monitoring tool/ implementation of Council Resolutions	1) 2023/24 Financial Year Monitoring tool/ implementation of Council Resolutions submitted to Council by 12 November 2024. 2) 2024/25 First Quarter Monitoring tool/ implementation of Council Resolutions submitted to Council by 12 November 2024. 3) 2024/25 Second Quarter Monitoring tool/ implementation of Council Resolutions submitted to Council meeting held 23 January 2025. 4) Implementation of Council Resolutions for 2023/24 Third Quarter submitted to Council meeting held 25 June 2025, reference C013/06/25/R	N/A - Target Achieved	4,00	4,00	4,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Internal Audit	5.8	Reviewed and approved Risk Based Internal Audit Plan by 30 June 2025	Risk Based Internal Audit Plan approved by Audit Committee on meeting held on 30 June 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
Internal Audit	5.8.1	% execution of Risk based Audit Plan by 30 June 2025	Numerator: 11* * The following Audits were completed: 1) Audit of Draft Annual Performance Report (August'24) 2) Audit of Annual Financial Statements (August'24) 3) Follow-up Audit of Maintenance (October'24) 4) Audit of Performance Measurement 1st Quarter (November'24) 5) Audit of IDP Process Plan(November'24) 6) Audit of SCM (February'25) 7) Audit of Performance Measurements 2nd Quarter (March'25) 8) Audit of Interim Financial Statements (March'25) 9) Follow-up on Audit by Internal audit and AG (April'25) 10) Audit of Salaries a and wages (May'25) 11) Audit of fleet Management (June'25) Denominator: 12* * Audit Areas to be completed: 1) Audit of Draft Annual Performance Report (August'24) 2) Audit of Annual Financial Statements (August'24) 3) Follow-up Audit of Maintenance (October'24) 4) Audit of Performance Measurement 1st Quarter (November'24)	A) Reason for not Achieving Target/Current Challenges: Audit of Supply Chain Management processes was delayed due to late submission of information by management. B) Corrective Action: MM to assist in instances where information is not submitted on time.	91,70%	100,00%	92,00%	2,76

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
			5) Audit of Supply Chain Management System(November'24) 6) Audit of IDP Process Plan (January'25) 7) Audit of Performance Measurements 2nd Quarter (February'25) 8) Audit of Salaries a and wages (February'25) 9) Audit of Interim Financial Statements (February'25) 10) Follow-up on Audit by Internal audit and AG (April'25) 11) Audit of Supply Chain Management (May'25) 12) Audit of fleet Management (May'25) Calculations: 11/12 = 92%					
Internal Audit	5.8.2	Number of Audit Committee meetings held	The following Audit Committee meetings were held: 1) 07 August 2024 2) 23 August 2024 3) 26 August 2024 4) 23 October 2024 5) 28 October 2024 6) 29 November 2024 7) 20 January 2025 8) 21 February 2025 9) 22 April 2025 10) 30 June 2025	A) Reason for Overachieving Target: Several special meetings were convened, including a meeting to consider the Audit Report with the Auditor-General, a meeting to deliberate on the Revised SDBIP and the Adjusted Budget, as well as a meeting to review and adopt the Risk-Based Audit Plan for the 2025/2026 financial year.	N/A - New KPI	10,00	4,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
				B) Corrective Action: None				
Internal Audit	5.8.3	Number of Audit Committee report submitted to Council by 30 June 2025	1) Audit Committee Report on the review of Draft Annual Financial Statements and Draft Performance Report submitted to Council meeting held 29 August 2024, reference C08/08/24/R 2) Audit Committee Report covering 2024/25 First Quarter report submitted to Council meeting held 30 October 2024, reference C019/10/24/R 3) Audit Committee Report covering 2024/25 Second Quarter report submitted to Council meeting held 23 January 2025, reference C014/01/25/R 4) Audit Committee Report covering 2024/25 Third Quarter report submitted to Council meeting held 30 April 2025, reference C016/04/25/R	N/A - Target Achieved	4,00	4,00	4,00	3,00
Risk management	5.9	Reviewed and approved Strategic Risk Register by 30 June 2025	Strategic Risk Registers reviewed and approved on Special Risk Committee meeting held 26 June 2025	N/A - Target Achieved	1,00	1,00	1,00	3,00
Risk management	5.9.1	Number of risk assessment workshop conducted by 30 June 2025	1) Risk assessment workshop conducted on 20 January 2025 2) Ethics, Anti-Fraud and Corruption Awareness Workshop was conducted on 15 - 16 April 2025	N/A - Target Achieved	7,00	2,00	2,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2024/2025 Financial Year			
					Baseline 23/24	Annual Target 24/25	Annual Actual 24/25	Score
Risk management	5.9.2	Number of Risk Committee meetings held	1) Risk Committee meetings held 02 August 2024 2) Risk Committee meeting held 21 October 2024 3) Risk Committee meetings held 20 January 2025 4) Risk Committee meetings held 14 April 2025 5) Risk Committee meetings held 26 June 2025	A) Reason for Overachieving Target: A special Risk Management Committee meeting was convened to approve the risk enabling documents in preparation for the new financial year. B) Corrective Action: None	N/A- New KPI	4,00	5,00	3,75
Risk management	5.9.3	Number of quarterly progress reports on corrective action to address strategic and operational risks - MM	1) Quarterly progress reports on corrective action to address strategic and operational risks submitted to Risk Management Committee meeting held 02 August 2024, Item 8.2 2) Quarterly progress reports on corrective action to address strategic and operational risks submitted to Risk Management Committee meeting held 21 October 2024, Item 8.2 3) Quarterly progress reports on corrective action to address strategic and operational risks submitted to Risk Management Committee meeting held 10 January 2025 4) Quarterly progress reports on corrective action to address strategic and operational risks submitted to Risk Management Committee meeting held 26 June 2025	N/A - Target achieved	N/A - New KPI	4,00	4,00	3,00

Addendum C: Definitions

For the purpose of this report, the following definitions apply:

Scorecards refer to a multi-dimensional framework created by Dr. Robert Kaplan and Dr. David Norton that uses measurement to describe an organisation's strategy. It is based on the Balanced Scorecard methodology as currently applied to suit the South African environment as described by the Institute for Performance Management **TRIPOD©** Methodology for Municipalities. This ensures alignment with community needs, legislation, IDP, SDBIP and Budgetary requirements for South African municipalities.

Strategic Themes are the general strategy broken down into categories that focuses on different objectives of the company that can lead to overall success, such as customer satisfaction, reduced cost and employee growth. It is usually general and not quantified. An ultimate outcome is attached to it.

Perspectives according to the Kaplan/Norton balanced scorecard model, these four views of the business are - Financial, Customer (community), Institutional Processes and Learning and Growth.

Key Performance Area (KPA) refers to a grouping of metrics of performance success of a process or management system.

Objective is an aim or intended result of a strategy.

Programme refers to a group of related key performance indicators or projects.

Key Performance Indicator (KPI) refers to a list of indicators that an organisation has identified as the most important variables reflecting vision / mission success or organisational performance.

Addendum D: Scoring Method

Results are presented in the form of scores as detailed below and were calculated using an automated system adapted to comply with the Chief Albert Luthuli Municipality's performance management requirements. The scoring method utilised is as follows;

Colour code	Scoring	% target achieved KPIs		% target achieved PRJs	
Rating	Score	Low	High	Low	High
Unsatisfactory	1-1.99	0.0%	39.9%	0.0%	25.0%
Below average	2 -2.99	40.0%	79.9%	25.0%	50.0%
Within target	3 -3.99	80.0%	99.9%	50.0%	75.0%
Achieved/ exceeded target	4 -4.99	100.0%	166.9%	75.0%	167%
Outstanding	5+	167.0%	+	167.0%	+

Overall scores as contained in the report were calculated by taking an average of the scores for all KPIs and projects that contributed to a specific Scorecard, Department or the Municipality as a whole.

Weighting of the KPIs and projects per programme and Objective was not taken into consideration in determining the score, except where decided to apply 'zero Weighting', in which case that KPI or project did not contribute to the score of the programme and therefore would not contribute to the overall Objective score.

Scoring of the Objective is taken as an Average score of the Programmes contributing to the Objective. Scoring of the Programme is taken as an Average score of the KPIs and projects contributing to the Programme. Objectives are averaged to derive to the Key Performance Area (KPA) score. The final Scorecard Rating is an average of the KPAs' scores or the Key Performance Area scores.

Where no Actual was supplied, a 1.00 score was applied. If no targets were supplied, but Actual was supplied, the Actual was taken as the target. Where no Worst values were supplied, the Intervention was taken at 40% of target.

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

To ensure that the organization's effectiveness is increased, the municipality conducts some personnel needs analysis and makes the necessary provision in the municipal budget on an annual basis. To ensure effectiveness and efficiency in the organisation, the municipality annually develops a WSP, after conducting a training needs analysis. The necessary training is then provided depending on available financial resources. Employees are also provided with all the necessary tools including, but not limited to, ICT tools, furniture, and machinery.

Necessary policies, systems, procedures, and mechanisms are put in place to ensure organizational development. These include, but are not limited to, recruitment, selection, training, discipline, and staff retention. Employees are developed as far as possible to assist them to function effectively as human beings and to reach their full potential.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year - 2023/24	Year 2024/2025			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Electricity	8	5	8	2	25,00%
Waste Water (Sanitation)	141	86	141	7	4,96%
Housing	3	3	3	0	0,00%
Roads	25	15	25	0	0,00%
Transport	10	10	10	3	30,00%
Planning	6	6	6	1	16,67%
Local Economic Development	5	5	5	0	0,00%
Community & Social Services	90	38	90	2	2,22%
Environmental Protection	10	6	10	1	10,00%
Health	1	1	1	0	0,00%
Security and Safety	1	1	1	0	0,00%
Sport and Recreation	1	1	1	0	0,00%
Corporate Policy Offices and Other	65	50	65	15	23,08%
Totals	**366**	**227**	**366**	**31**	8,47%

T 4.1.1

Vacancy Rate: Year 2024/2025			
Designations	***Total Approved Posts** **No.**	***Vacancies (Total time that vacancies exist using fulltime equivalents)** **No.**	***Vacancies (as a proportion of total posts in each category)** **%**
Municipal Manager	1	0	0,00
CFO	1	0	0,00
Other S57 Managers (excluding Finance Posts)	4	1	25,00
Other S57 Managers (Finance posts)	0	0	0,00
Police officers	15	0	0,00
Fire fighters	12	0	0,00
Senior management: Levels 13-15 (excluding Finance Posts)	39	0	0,00
Senior management: Levels 13-15 (Finance posts)	0	0	0,00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	50	8	16,00
Highly skilled supervision: levels 9-12 (Finance posts)	12	2	16,67
Total	**134**	**12**	9,00
			T 4.1.2

Turn-over Rate			
Details	**Total Appointments as of beginning of Financial Year** **No.**	**Terminations during the Financial Year** **No.**	**Turn-over Rate***
2023/24	31	5	16%
2024/25	25	1	4%
			T 4.1.3

COMMENT ON VACANCIES AND TURNOVER

The funded vacant positions were due to resignations, retirements, deaths and dismissals that were recorded, these positions were advertised both internally and externally in order to attract a qualified pool of candidates per occupational category.

T 4.1.4

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

In terms of Section 67 of the Local Government: Municipal Systems Act (2000) (Act No 32 of 2000), a municipality must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration in accordance with the Employment Equity Act, 1998.

T 4.2.0

4.2 POLICIES

COMMENT ON WORKFORCE POLICY DEVELOPMENT

The Municipality has developed and implemented 20 policies to govern its operation through managing its workforce. All human resource policies were reviewed and approved by Council during the 2022/2023 financial year.

T 4.2.1.1

HR Policies and Plans				
No	**Name of Policy**	**Completed**	**Reviewed**	**Date Adopted by Council or Comment on Failure to Adopt**
		%	**%**	
1.	Sexual Harassment Policy	100%	100%	26 June 2025
2.	Smoking Policy	100%	100%	26 June 2025
3.	Relocation Policy	100%	100%	26 June 2025
4.	Succession planning policy	100%	100%	26 June 2025
5.	Incapacity due to ill – health injury policy	100%	100%	26 June 2025
6.	Training and Development policy	100%	100%	26 June 2025
7.	Employee assistance policy	100%	100%	26 June 2025
8.	Employment equity policy	100%	100%	26 June 2025
9.	Attendance and punctuality policy	100%	100%	26 June 2025
10.	Employment Practice policy	100%	100%	26 June 2025
11.	Bereavement policy	100%	100%	26 June 2025
12.	Incapacity due to poor work performance policy	100%	100%	26 June 2025
13.	Employees under the influence of intoxicating substance policy	100%	100%	26 June 2025
14.	Overtime policy	100%	100%	26 June 2025

15.	Legal Aid policy	100%	100%	26 June 2025
16.	Name badge policy	100%	100%	26 June 2025
17.	Dress code policy	100%	100%	26 June 2025
18.	Exchange programme policy	100%	100%	26 June 2025
19.	Zero-harm policy	100%	100%	26 June 2025
20.	Employees Sports Policy	100%	100%	26 June 2025
21.	Policy on in – service training and temporal employees	100%	100%	26 June 2025
22.	Consequence Management policy	100%	100%	26 June 2025
23.	Promotion, Demotion, Transfer / Placement policy	100%	100%	26 June 2025
24.	Cell phone Allowance Policy	100%	100%	26 June 2025
25.	Private work and declaration of interest policy	100%	100%	26 June 2025
26.	Recruitment & Selection Policy	100%	100%	26 June 2025
27.	Job Evaluation policy	100%	100%	26 June 2025
28.	Attendance and Punctuality policy	100%	100%	26 June 2025
29.	Acting on higher post Policy	100%	100%	26 June 2025
30.	Bursary Policy	100%	100%	26 June 2025
31.	Standard Operating Procedure (Shift Workers)	100%	100%	30 July 2025
32.	Standby Policy	100%1	100%	30 July 2025
				T 4.2.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	**Injury Leave Taken**	**Employees using injury leave**	**Proportion employees using sick leave**	**Average Injury Leave per employee**	**Total Estimated Cost**
	Days	**No.**	**%**	**Days**	**R'000**
Required basic medical attention only	06	01		06	2821.44
Temporary total disablement	46	03		15	59301.20
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	**52**	**04**		**21**	**62122.64**

T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	**Total sick leave**	**Proportion of sick leave without medical certification**	**Employees using sick leave**	**Total employees in post***	***Average sick leave per Employees**	**Estimated cost**
	Days	**%**	**No.**	**No.**	**Days**	**R' 000**
Lower skilled (Levels 1-2)	33	37%	1	153	0.07	30
Skilled (Levels 3-5)	39	44	1	129	0.08	
Highly skilled production (levels 6-8)	24	27	1	115	0.05	
Highly skilled supervision (levels 9-12)	13	14%	1	44	0.03	31
Senior management (Levels 13-15)	6	6	1	37	0.01	
MM and S57	1	100%	100%	6	0.00	
Total	**116**	**1733%**	**5**	**484**	0.24	**61**

T 4.3.2

COMMENT ON INJURY AND SICK LEAVE

The reason to keep injuries very low it was due to safety awareness campaigns through memo's, inductions and workshops conducted for CALM employees.

T 4.3.4

Number and Period of Suspensions (2024/25)				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised**	**Date Finalised**
HR Senior Recruitment Clerk	Misuse and damage to municipal property (Vehicle)	15/9/2023	Finalised	08 July 2024
Senior Creditors Clerk	Payment of S&T into a wrong and Unknown Netbank Account	29/11/2023	Finalized	28 Aug 2024
Assistant Accountant: Supply Chain Management	Processing two payments into a wrong and unknown Nedbank account	29/11/2023	Finalized	09 Apr 2025
Special workman	Misuse of municipal property	06/03/2025	Finalized	09 May 2025
				T 4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct (2024/25)			
Position	**Nature of Alleged Misconduct and Rand value of any loss to the municipality**	**Disciplinary action taken**	**Date Finalised**
Senior Creditors Clerk	Payment of S&T into a wrong and Unknown Netbank Account	Final Written Warning Payment of Debt	28/08/2024
Assistant Accountant: Supply Chain Management	Processing two payments into a wrong and unknown Nedbank account	Dismissal	09 Apr 2025
			T 4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

The suspension took long because of the unavailability of prosecutors during the date of the disciplinary hearing and withdrawal of representatives.

T 4.3.7

4.4 PERFORMANCE REWARDS

Performance Rewards by Gender					
Designations	**Beneficiary profile**				
	Gender	**Total number of employees in group**	**Number of beneficiaries**	**Expenditure on rewards 2024/25 R' 000**	**Proportion of beneficiaries within group %**
Lower skilled (Levels 1-2)	Female	0	0		0%
	Male	0	0		0%
Skilled (Levels 3-5)	Female	0	0		0%
	Male	0	0		0%
Highly skilled production (levels 6-8)	Female	0	0		0%
	Male	0	0		0%
Highly skilled supervision (levels 9-12)	Female	0	0		0%
	Male	0	0		0%
Senior management (Levels 13-15)	Female	0	0		0%
	Male	0	0		0%
MM and S57	Female	1	1		100%
	Male	5	5		100%
Total		6	6		
Has the statutory municipal calculator been used as part of the evaluation process?					Yes
					T 4.4.1

COMMENT ON PERFORMANCE REWARDS

The Accounting Officer evaluated senior managers in accordance with the Performance Regulations of 2006, and the Executive Mayor evaluated the accounting officer accordingly. The results are to be presented to the Audit Committee for rectifications before they are sent to council for confirmation and decision. Once it is confirmed by Council, it will be made public in the final report that will be sent to the Legislature and the MEC for Local Government.

T 4.4.1.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Organisational Development entails the human capital of the municipality through skills development. Skills Development is a compliance matter in terms of the Skills Development Act which requires employers to budget, train employees and report such trainings as part of the Annual Training Report submitted to LGSETA annually be 30 April each year

T 4.5.

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2024/25	Number of skilled employees required and actual as at 30 June Year 2024/2025											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual End of 2024/25	Actual End of 2022/23	2024/25 Target	Actual End of 2024/25	Actual End of 2022/23	2024/25 Target	Actual End of 2024/25	Actual End of 2022/23	2024/25 Target	Actual End of 2024/25	Actual End of 2022/23	2024/25 Target
MM and s57	Female	01	0	0	0	0	0	0	0	0	0	0	1	0
	Male	04	0	0	0	0	0	04	0	1	0	01	3	04
Councillors, senior officials and managers	Female	23	0	0	0	0	03	0	0	03	0	0	12	0
	Male	26	0	0	0	0	2	0	0	4	0	0	12	0
Technicians and associate professionals*	Female	35	0	2	0	0	0	0	01	2	01	01	8	01
	Male	65	0	7	0	0	0	0	05	8	05	05	25	05
Professionals	Female	15	0	4	02	0	0	0	0	6	0	0	27	02
	Male	23	0	1	01	0	0	0	0	2	0	0	13	01
Sub total	Female	74	0	6	0	0	0	0	0	11	0	0	29	0
	Male	118	0	8	0	0	2	0	0	15	0	0	40	0
Total		192	0	0	03	0	10	0	06	52	06	07	60	14

T 4.5.1

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	0	0	0	0	0	0
Chief financial officer	0	0	0	0	0	0
Senior managers	0	0	0	0	0	0
Any other financial officials	0	0	0	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	0	0	0	1	1	1
TOTAL	**0**	**0**	**0**	**1**	**1**	**1**

Skills Development Expenditure										
R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 2024/25							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female						10	20	10	20
	Male						20	25	20	25
Legislators, senior officials and managers	Female									
	Male									
Professionals	Female									
	Male									
Technicians and associate professionals	Female									
	Male									
Clerks	Female									
	Male									
Service and sales workers	Female									
	Male									
Plant and machine operators and assemblers	Female									
	Male									
Elementary occupations	Female									
	Male									
Sub total	Female						10	20	10	20
	Male						20	25	20	25
Total		0	0	0	0	0	30	45	30	45
**% and *R value of municipal salaries (original budget) allocated for workplace skills plan.*									**%***	*R
T4.5.3										

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

The municipality spend more than 90% on WSP.

T 4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Workforce expenditure forms part of the municipal operational expenditure budget and is managed by the finance directorate. It involves salaries, contributions to medical aids, pension funds, housing scheme, UIF, group life insurance, travelling, cell phone and data allowances.

All expenditure should be in line with the approved budget. When the staff establishment is approved, provision is made in the budget for all the posts that can be filled and the related time frames. No unfunded posts may be filled. The municipality ensures that it recruits employees capable of effectively rendering the services required to achieve its strategic goals.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	**Gender**	**Total**
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	1
	Male	30
Highly skilled production (Levels 6-8)	Female	0
	Male	3
Highly skilled supervision (Levels 9-12)	Female	1
	Male	2
Senior management (Levels 13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		37

T 4.6.2

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

There were no employees whose salary levels were exceeded as a result of job evaluation. Additionally, during the year under review, no employees were appointed outside of the approved structure.

T 4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

Officials and councillors declared their financial interests for the 2024/25 financial year to foster a culture of integrity and accountability and to prioritize the needs of communities. As per the code of conduct for officials and councillors (in terms of the MSA 2000), declarations are made annually. Refer to disclosures made by officials and councillors concerning their financial interests as required by MSA 2000 Schedule 1 and 2 as set out in Appendix J.

T 4.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

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

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Chief Albert Luthuli Local Municipality
(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	86,329,918	82,259,662
Construction contracts	20	5,747,826	-
Rental income- facilities		461,845	533,109
Interest received from exchange transactions- consumers	21	20,772,532	14,395,937
Other income	22	5,107,762	5,990,424
Interest received - investment		14,576,808	16,207,211
Fair value adjustments	23	3,871,249	-
Total revenue from exchange transactions		**136,867,940**	**119,386,343**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	24	133,475,538	68,190,627
Licences and Permits		494,902	24,502
Interest received from non-exchange transactions- consumers	21	20,280,279	16,609,236
Transfer revenue			
Government grants & subsidies	25	927,756,951	924,995,501
Donations	26	1,915,889	7,776,143
Traffic fines		5,401,641	6,090,460
Total revenue from non-exchange transactions		**1,089,325,200**	**1,023,686,469**
Total revenue		**1,226,193,140**	**1,143,072,812**
Expenditure			
Employee related costs	27	(263,660,239)	(249,566,258)
Remuneration of councillors	28	(24,249,479)	(23,401,579)
Depreciation and amortisation		(77,678,723)	(66,967,533)
Impairment loss		(2,055,507)	(433,146)
Finance costs	29	(5,283,301)	(4,038,637)
Debt Impairment		(37,239,124)	(47,808,858)
Irrecoverable debt	30	(5,280,900)	-
Bulk purchases	31	(136,596,242)	(117,294,553)
Contracted services	32	(112,670,898)	(137,443,795)
Grants and subsidies expenditure		(6,045,958)	(8,709,362)
Loss on disposal of assets and liabilities		(6,846,605)	(3,478,255)
Operational cost	33	(135,573,548)	(119,963,334)
Fair value adjustments	23	-	(385,766)
Financial loss	34	-	(266,336)
Total expenditure		**(813,180,524)**	**(779,757,412)**
Surplus for the year		**413,012,616**	**363,315,400**

5.2 GRANTS

Grant Performance R' 000					
Description	2024/25			2024/25 Variance	
	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants					
National Government:	418,105	418,105	418,105		
Equitable share	418,105	418,105	418,105		
Municipal Systems Improvement	0	–	–		
Department of Water Affairs		–	–		
Levy replacement		–	–		
Other transfers/grants [insert description]		–			
Provincial Government:	15,800	15,800	15,800		
Health subsidy			–		
Housing			–		
Ambulance subsidy			–		
Sports and Recreation			–		
Other transfers/grants [insert description]	15,800	15,800	15,800		
District Municipality:	–	–	–		
[insert description]					
Other grant providers:	–	–	–		
[insert description]					
Total Operating Transfers and Grants	433,905	433,905	433,905		

T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS

The municipality spent 100% of the grants received during the year under review.

T 5.2.2

Grants Received from Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	**Actual Grant 2022/23**	**Actual Grant 2024/25**	**2024/25 Municipal Contribution**	**Date Grant terminates**	**Date Municipal contribution terminates**	**Nature and benefit from the grant received, include description of any contributions in kind**
Parastatals						
None	N/A					
Foreign Governments/Development Aid Agencies						
None	N/A					
Private Sector / Organisations						
None	N/A					
T 5.2.3						

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

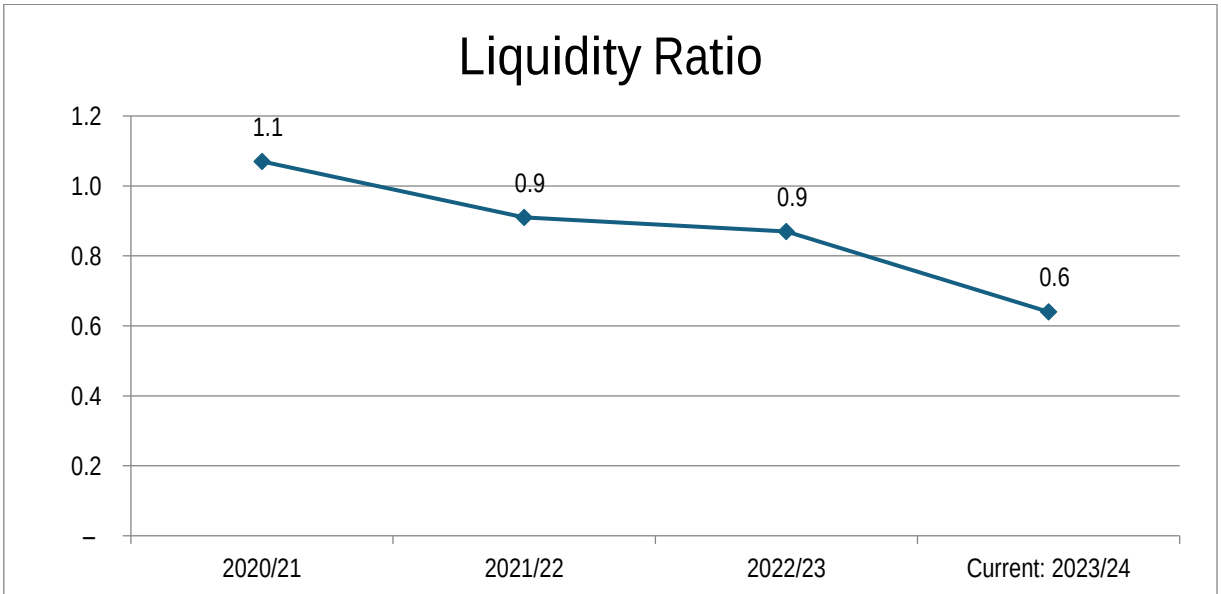
The Municipality has and maintains a management, accounting, and information system that accounts for the assets of the Municipality. The Municipality's assets are valued in accordance with standards of the Generally Recognized Accounting Practice (GRAP). The Municipality has and maintains a system of internal control over assets, including an asset register.

T 5.3.1

Treatment of the three largest assets acquired 2023/24				
Asset 1				
Name	Reservoir			
Description	Reservoir			
Asset type	Water and purification			
Key staff involved	Madinane CN & Mkhonto NC			
Staff responsibilities	Asset management			
	2020/21	2021/22	2022/23	2023/24
Asset value	7 781 364,35	7 621 712,97	7 302 410,22	7 142 921.25
Capital implications	Upgrading of Lusushwana bwss phase 2 & 3			
Future purpose of asset	Water distribution			
Describe key issues	Upgrading of water reservoir for distribution of water			
Policies in place to manage asset	Asset management policy			
Asset 2				
Name	Elukwatini fire station			
Description	Fire station			
Asset type	Building community			
Key staff involved	Madinane CN & Mkhonto NC			
Staff responsibilities	Asset management			
	2020/21	2021/22	2022/23	2023/24
Asset value	28 355 537,56	27 993 518,92	26 859 297,41	26 292 317.84
Capital implications	Building for fire and disaster management			
Future purpose of asset	Fire and disaster management			
Describe key issues	Fire station built for fire and disaster management			
Policies in place to manage asset	Asset management policy			
Asset 3				
Name	Transformer			
Description	Power transformer			
Asset type	Electrical distribution			
Key staff involved	Madinane CN & Mkhonto NC			
Staff responsibilities	Asset management			
	2020/21	2021/22	2022/23	2023/24
Asset value	6 378 299,57	6 377 134,58	6 093 654,60	5 952 049.98
Capital implications	Upgrading of Silobela substation			
Future purpose of asset	To distribute electricity at Silobela			
Describe key issues	Upgrading of Silobela substation for power distribution			
Policies in place to manage asset	Asset management policy			

T 5.3.2

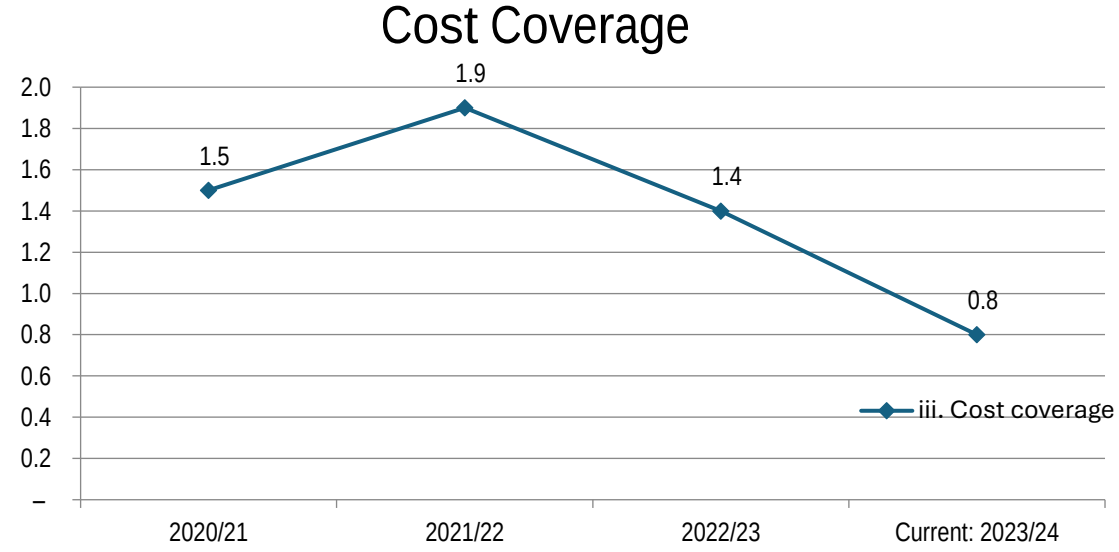
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

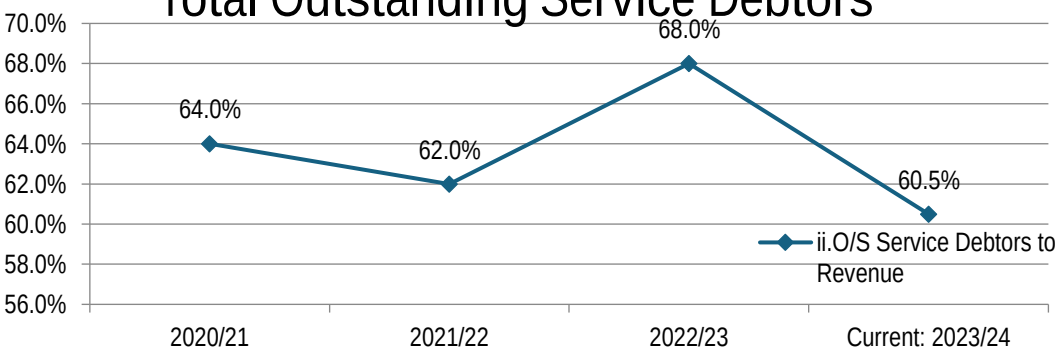
T 5.4.1



Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

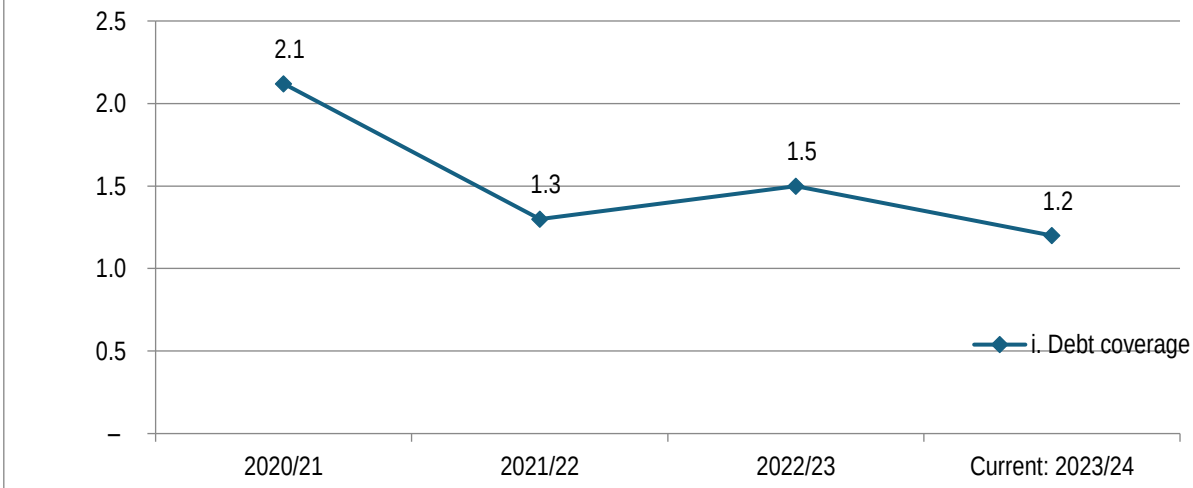
Data used from MBRR SA8

T 5.4.2



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding

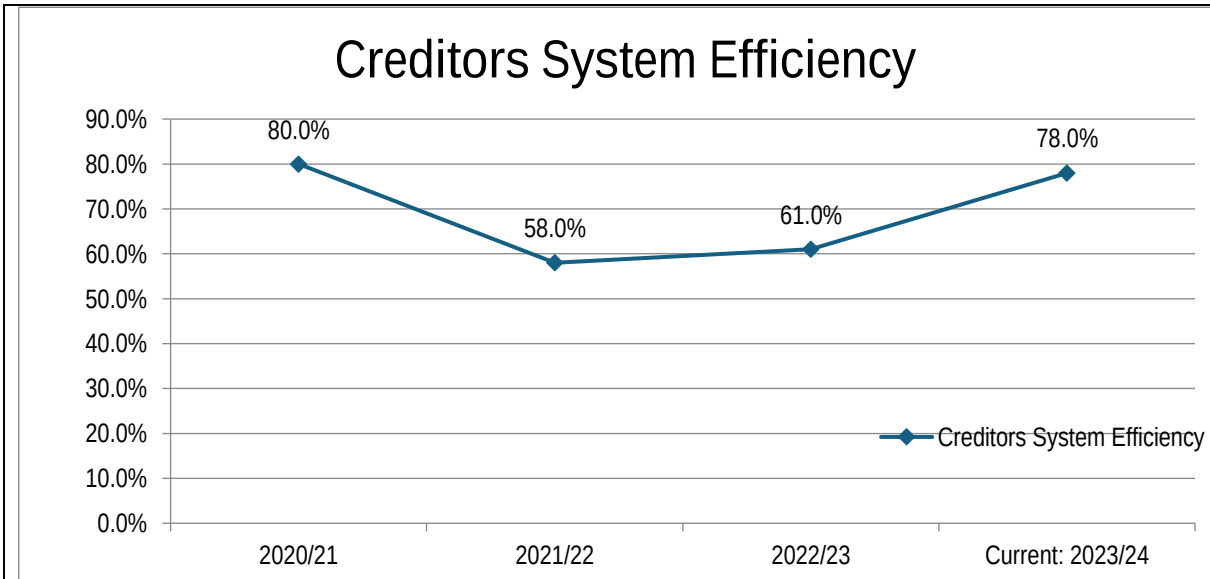
T 5.4.3



Debt Coverage– The number of times debt payments can be accomodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accomodated by the municipality

Data used from MBRR SA8

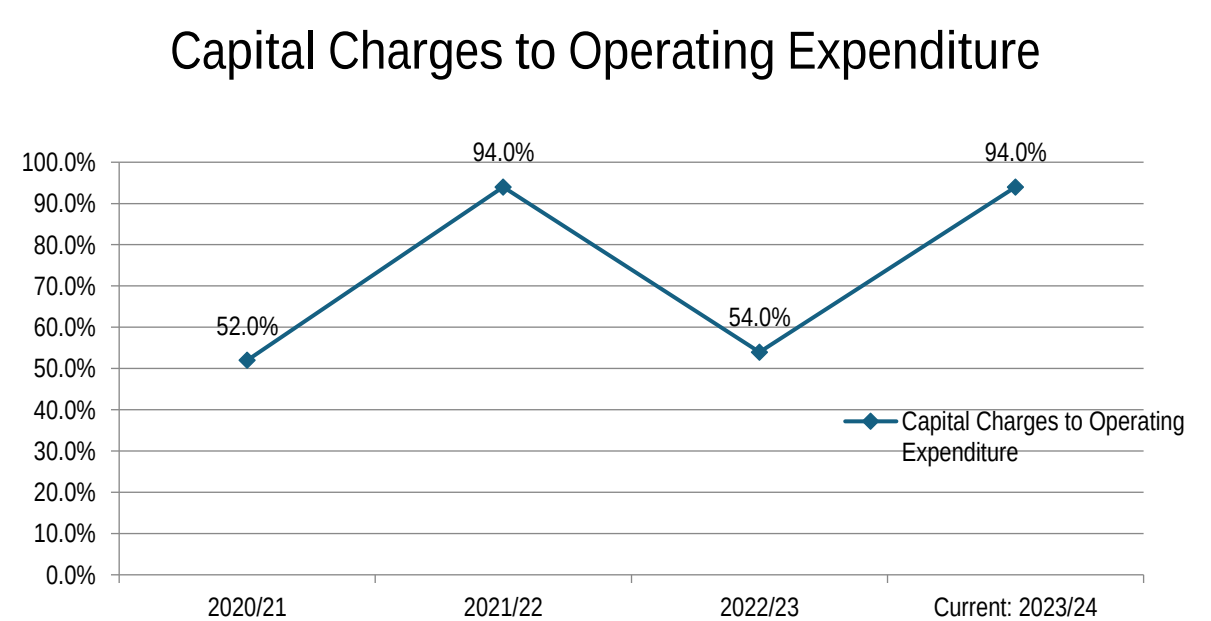
T 5.4.4



Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

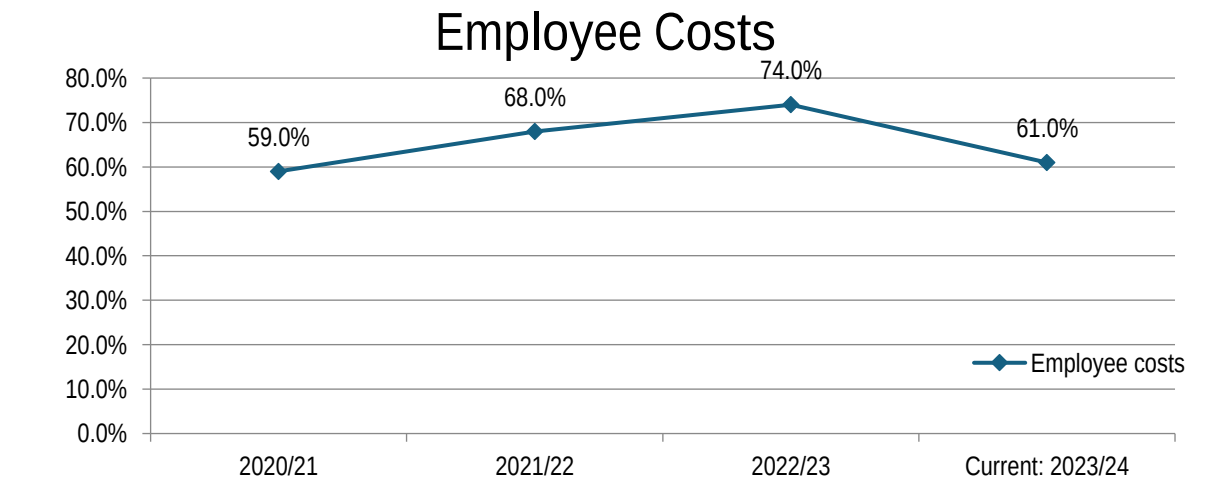
T 5.4.5



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

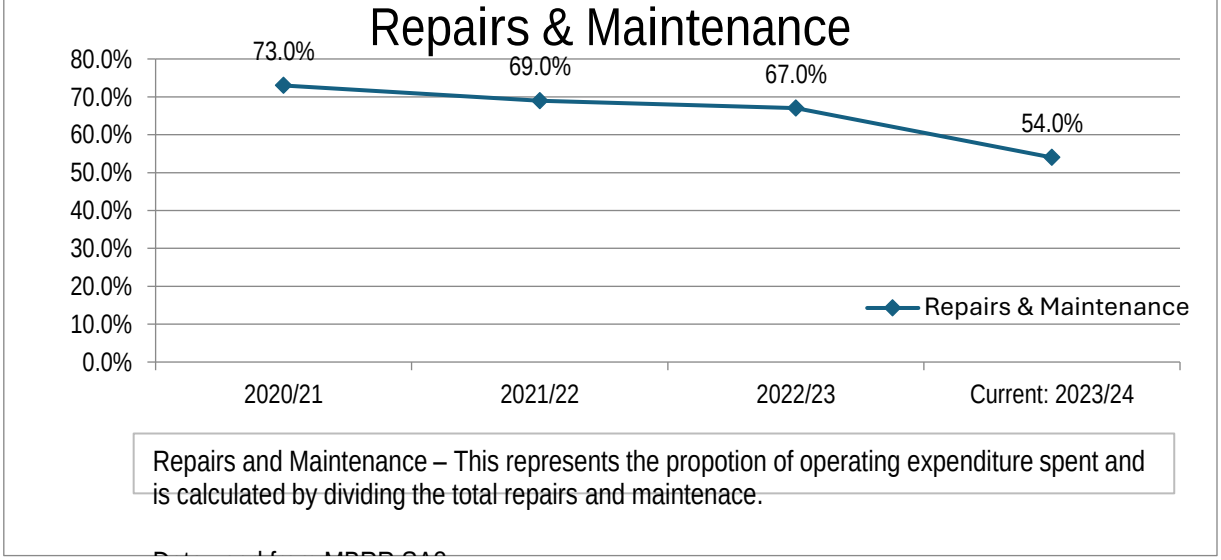
Data used from MBRR SA8

T 5.4.6



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

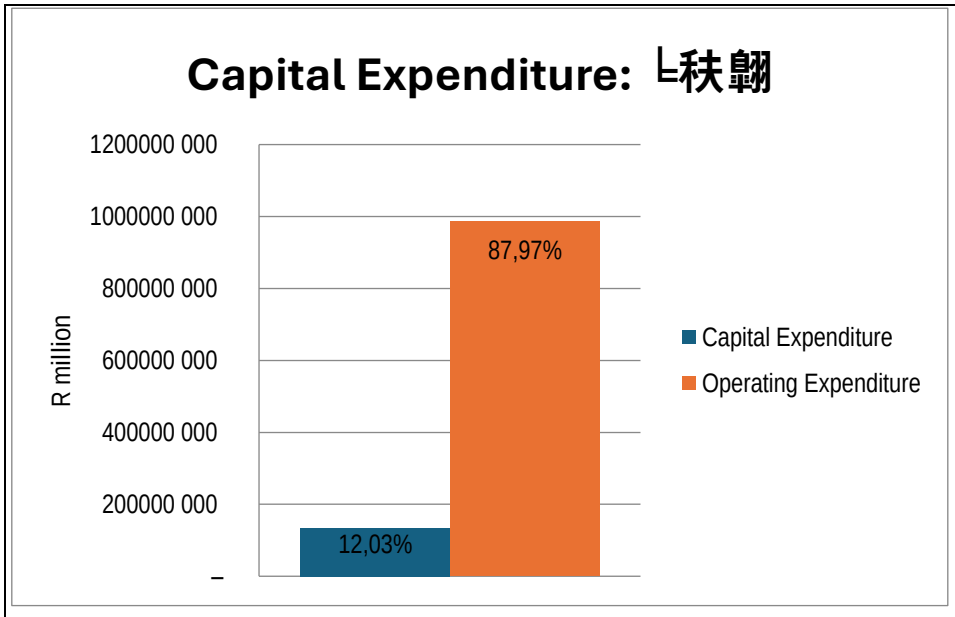
T 5.4.7



T 5.4.8

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE



T 5.5.1

5.6 SOURCES OF FINANCE

R million	Original Budget	Adjustment Budget	Audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure					
Operating Expenditure					
Total expenditure					
Water and sanitation					
Electricity					
Housing					
Roads, Pavements, Bridges and storm water					
Other					
External Loans					
Internal contributions					
Grants and subsidies					
Other					
External Loans					
Grants and subsidies					
Investments Redeemed					
Statutory Receipts (including VAT)					
Other Receipts					
Salaries, wages and allowances					
Cash and creditor payments					
Capital payments					

Investments made					
External loans repaid					
Statutory Payments (including VAT)					
Other payments					

	Original Budget	Adjustment Budget	Audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Property rates					
Service charges					
Other own revenue					
Employee related costs					
Provision for working capital					
Repairs and maintenance					
Bulk purchases					
Other expenditure					
Service charges: Electricity					
Grants & subsidies: Electricity					
Other revenue: Electricity					
Employee related costs: Electricity					
Provision for working capital: Electricity					
Repairs and maintenance: Electricity					
Bulk purchases: Electricity					
Other expenditure: Electricity					
Service charges: Water					

Grants & subsidies: Water					
Other revenue: Water					
Employee related costs: Water					
Provision for working capital: Water					
Repairs and maintenance: Water					
Bulk purchases: Water					
Other expenditure: Water					

T 5 6 1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects* R' 000					
Name of Project	Current: 2023/24			Variance: Current 2023/24	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Eerstehoek Bulk Water Scheme phase 4	R 128,491,128.40	0	R 128,491,128.40	0%	100%
Upgrading of Carolina WWTW - Package 1 & 2	R 315,362,960.36	0	R 315,362,960.36	0%	100%
Upgrading of Emanzana Wastewater Scheeme	R 36,598,827.41	0	R 36,598,827.41	0%	100%
Upgrading of Carolina WWTW to 6 Mega litres	R 325,000,000.00	0	R 325,000,000.00	0%	100%
Construction of Nhlazatshe Road	R 56,740,779.20	0	R 56,740,779.20	0%	100%
Eerstehoek Bulk Water Scheme phase 4					
Objective of Project	To upgrade plant from 14ML to 29ML				
Delays	Strikes from SMMEs and also vandalism				
Future Challenges	None				

Anticipated citizen benefits	Based on current population, everyone will have access to water once the project is complete
Upgrading of Carolina WWTW - Package 1 & 2	
Objective of Project	Upgrade the plant to accommodate all community members and future demands
Delays	Strikes from SMMEs and vandalism
Future Challenges	None
Anticipated citizen benefits	All community members to have access to sanitation
Upgrading of Emanzana Wastewater Scheeme	
Objective of Project	Upgrade the plant to accommodate all community members and future demands
Delays	Strikes from SMMEs and vandalism
Future Challenges	None
Anticipated citizen benefits	All community members to have access to sanitation
Upgrading of Carolina WWTW to 6 Mega litres	
Objective of Project	Upgrade the plant to accommodate all community members and future demands
Delays	Strikes from SMMEs and vandalism
Future Challenges	None
Anticipated citizen benefits	All community members to have access to sanitation
Construction of Nhlazatshe Road	
Objective of Project	To minimise road traffic at Nhlazatshe
Delays	Strikes from SMMEs and vandalism
Future Challenges	None
Anticipated citizen benefits	The community will not be delayed on the road due to traffic
	T 5.7.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The historical backlogs in the provision of basic infrastructure for service delivery require that municipalities establish a delicate balance between delivering and improving current services, maintaining existing infrastructure, and extending infrastructure to eradicate the backlog in service delivery. CoGTA must ensure that municipalities in the province are fully functional to enable the delivery of infrastructure and municipal services. This Chapter attempts to give an indication of the performance of the Municipality during the municipal financial year ended 30 June 2025.

Electricity

The backlog is mostly in the Eskom-supply areas. Connection costs remained high in the deep rural areas due to sparsely populated rural settlements; in some instances, Eskom delayed the energisation

of connected households. Old and under-maintained infrastructure in municipal areas of supply remained a challenge. Recurring power outages during high the demand season, especially in Silobela, remained a challenge.

Water

The main challenge remained the provision of water in deep rural areas and areas outside the bulk water infrastructure. The Municipality continued to supply water to these settlements through boreholes and water tankers.

Sanitation

The Municipality had been providing VIP toilets to eradicate the sanitation backlog. However, Province had since directed the Municipality to cease the sanitation technology, especially in rural areas where there was no infrastructure. The Municipality has piloted Smarts and toilets as an alternative to VIP toilets.

T 5.8.1

Service Backlogs as of 30 June 2025

Households (HHs)

	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	**% HHs**	**No. HHs**	**% HHs**
Water	60 788	96%	2 515	4%
Sanitation	63 239	99.9%	64	0.1%
Electricity	61 447	97%	1 856	3%
Waste management	23 949	38%	39 354	62%
Housing	63 303	99%	101	1%

T 5.8.2

Municipal Infrastructure Grant Expenditure 2023/24 on Service backlogs

R' 000

Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
Infrastructure - Road transport					
Roads, Pavements & Bridges	31500000	0	33524379	0%	0%
Storm water	0	0	0	0%	0%
Infrastructure - Electricity					

Generation	0	0	0	0%	0%
Transmission & Reticulation	0	0	0	0%	0%
Street Lighting	4300000	0	4012198.29	0%	0%
Infrastructure - Water					
Dams & Reservoirs	0	0	0	0%	0%
Water purification	9531251	0	10632744.9	0%	0%
Reticulation	23241840	0	21159921.4	0%	0%
Infrastructure - Sanitation					
Reticulation	10000000	0	10143383.7	0%	0%
Sewerage purification	0	0	0	0%	0%
Infrastructure - Other					
Waste Management	946710	0	946709.336	0%	0%
Transportation	0	0	0	0%	0%
Gas	0	0	0	0%	0%
Community Facilities					
Refurbishment and Upgrading of Mpuluzi Stadium	2000000	0	1990732.08	0%	0%
Total	81519801		82410068.7	0%	0%

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

In terms of the MFMA (2003), a municipality must establish an appropriate and effective cash management and investment policy. Within this policy, a municipality must:

- Conduct its cash management and investments; and
- Invest money if it is not immediately required.

Surplus cash refers to money that is not immediately required for expenditure; that surplus could include income from rates and services, rents, fines, grants, subsidies, levies, and interest earned on investments. The Finance Department reported quarterly to the Executive Mayor and the Finance Portfolio Committee in terms of MFMA (2003) S11, in order to assess the performance of the investment portfolio, and to ensure that the investments complied with policy objectives, guidelines, and applicable laws and regulations.

Cash flow management is critical to the sustainability of the Municipality as it enables the Municipality to assess whether sufficient cash is available to meet short-term and long-term obligations. Cash flow is managed and monitored on a daily and monthly basis.

T 5.9

5.9 CASH FLOW

Refer to Cash Flow in the AFS attached

COMMENT ON CASH FLOW OUTCOMES

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

T 5.9.1.1

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

A public-private partnership (PPP) is a contract between a government institution and a private party, where the private party performed an institutional function and/or used state property in terms of output specifications. Substantial project risk (financial, technical, and operational) is transferred to the private party, and the private party benefits through unitary payments from government budgets and/or user fees. The Municipality did not have public-private partnerships during the year under review.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Municipality's Supply Chain Management is fair, equitable, transparent, competitive and cost-effective as required by the Constitution (1996), S217. There is a Supply Chain Management policy in place. All awards were reported quarterly to Council and published on the municipal website.

T 5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications. *T 5.13.*

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement… must be audited annually by the Auditor-General.

Section 121(3) of the MFMA required that the audit report be included in the annual report to be tabled. Every municipality must, for each financial year, "prepare annual financial statements that fairly present the state of affairs of the municipality, its performance against its budget, its management of revenue, expenditure, assets, and liabilities; its business activities; and its financial results and its financial position as of the end of the financial year; and disclose the information required in terms of Sections 123, 124, and 125 of the MFMA."

This volume contains the annual financial statements, the timescale for the audit of those statements, and the production of reports on those matters by the Auditor-General. This report was the final section of the Annual Report. It included the Auditor-General's Report with the audited financial statements, as well as the pre-determined objectives that were based on the Integrated Development Plan (IDP) of the Municipality and auctioned in the Basic Services Delivery and Budget Implementation Plan (SDBIP), signed by the Honourable Executive Mayor

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2023/24

6.1 AUDITOR GENERAL REPORTS 2023/24 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance Year 2023/24*	
Status of audit report:	**Qualified Opinion**
Non-Compliance Issues	**Remedial Action Taken**
Statutory receivables The municipality did not recognise all items of statutory receivables in accordance with GRAP 108, Statutory receivables.	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
Net cash flows from operating activities Net cash flows from operating activities was not correctly prepared and disclosed as required Standards of GRAP 2, Cash flow statements.	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
Unauthorised expenditure	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG

Unauthorised expenditure was not recorded in accordance with section 125(2)(d) of the MFMA.	
Commitments Not all capital commitments were included in note 32 to the financial statements, as required by section 124(d)(i) of GRAP 1.	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
Statement of comparison of budget and actual amounts The cash flow statement included in the statement of comparison of budget and actual amounts was not disclosed in accordance with GRAP 24.	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
Principal-agent arrangement The principal-agent arrangement was not recognised in accordance with GRAP 109, Accounting by principals and agents.	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
Risk management Not all financial instruments were disclosed in note 35 to the financial statements, as required by GRAP 104, Financial instruments.	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
Segment information The municipality did not provide sufficient appropriate audit evidence of the disclosure requirements for segment information disclosed in note 42 to the financial statement, as required by GRAP 18, Segment reporting.	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
	T 6.2.1

Auditor-General Report on Service Delivery Performance: 2023/24*	
Status of audit report:**	Unqualified opinion
Non-Compliance Issues	**Remedial Action Taken**
None	N/A
	T 6.2.2

Chapter 6

COMPONENT B: AUDITOR-GENERAL OPINION 2024/25 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT 2024/25

Auditor-General Report on Financial Performance Year 2024/25*	
Status of audit report:	**Unqualified Opinion**
None	N/A
	T 6.2.1

Auditor-General Report on Service Delivery Performance: 2024/25*	
Status of audit report:**	Unqualified opinion
Non-Compliance Issues	**Remedial Action Taken**
None	N/A
	T 6.2.2

Report of the auditor-general to Mpumalanga Provincial legislature and council on Chief Albert Luthuli Local Municipality.

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Chief Albert Luthuli Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, and the cash flow statement and the statement of comparison of budget information and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies .

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Chief Albert Luthuli Local Municipality as at 30 June 2025 and its financial performance and cash flow for the year then ended in accordance with Generally Recognised Accounting Practice (Standards of GRAP) and Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for opinion

Context 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 and financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

7. As disclosed in note 50 to the financial statements, the corresponding figures for 2023-2024 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 2024-2025.

8. We draw attention to note 40 in the financial statements, which deals with the possible effects of the future implications of the adverse indicators of economic and business conditions on the municipality's prospects, performance, and cash flows. Management have also described how they plan to deal with these events and circumstances. Our opinion is not modified in respect of this matter.

9. As disclosed in note 4 to the financial statements, receivables from exchange transactions balance were significantly impaired. The total impairment of receivables from exchange transactions amount to R 289 690 448 (2023-2024: R259 226 156) was incurred as a result of an impairment allowance for doubtful debts.

10. As disclosed in note 5 to the financial statements, receivables from non-exchange transactions balance were significantly impaired. The total impairment of receivables from non-exchange transactions amount to R251 294 983 (2023-2024: R244 520 148) was incurred as a result of an impairment allowance for doubtful debts.

11. As disclosed in note 31 to the financial statements, material electricity losses of R32 672 936 (2023-2024: R26 546 024) was incurred, which represents 40,57% (2023-2024: 37,7%) of total electricity purchased.

12. As disclosed in note 31 to the financial statements, material water losses of 5 638 180 units (2023-2024: 2 126 427 units) was incurred, which represents 50,85% (2023-2024: 19,06%) of total electricity purchased.

Other matter

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

14. 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

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and 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.

16. 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

17. 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.

18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

19. 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.

20. I selected the following key performance area presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected a key performance area that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Key performance area	Page numbers	Purpose
KPA 2 -Basic service delivery and infrastructure development	XX	Provision of basic services, promoting culture of reading with understanding in the community, plan and develop infrastructure and facilities, climate change strategy developed, provide incidents management, provide disaster relief management, provide visible policing and traffic law enforcement, reduced prevalence of HIV/AIDS, TB and STIs and advanced community well-being

21. 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.

22. In performing the audit, my procedures focused on the material indicators relating to water, sanitation, human settlements and related infrastructure, as well as electricity and energy, roads and transport services.

23. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets / measures taken to improve performance.

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

25. I did not identify any material findings on the reported performance information for the Basic service delivery and infrastructure development.

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

27. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements / measures taken to improve performance.

28. The table that follows provide information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets / measures taken to improve performance are included in the annual performance report on pages xx to xx.

Basic service delivery and infrastructure development

Targets achieved: 78,95%		
Key indicator not achieved	**Planned target**	**Reported achievement**
Percentage of waste management service rendered on 6 areas	100%	99%
Develop air quality management plan	1	0,3
Number of litres of water supplied to deep rural areas	107520000	48836652
Percentage of water samples taken as per annual sampling points	100%	77%
Percentage of bulk network failure reported and responded to within 5 days	100%	98%
Percentage of Drinking Water Quality Samples Compliant to SANS 241 (BDS)	97%	80%
Percentage of callouts responded to within 48 hours (sanitation/wastewater)	100%	97%
Percentage of Wastewater Final Effluent samples compliant to water use license conditions (GDS)	95%	88%

Material misstatements

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

Report on compliance with legislation

30. 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.

31. 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.

32. 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.

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

Annual financial statements

34. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

35. Material misstatements on payables from exchange transactions, plant and equipment, provisions, property rates, contracted services, unauthorised expenditure, segment reporting, risk management and cash flow statements identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

36. Reasonable steps were not taken to prevent irregular expenditure amounting to R3 326 659 as disclosed in note 44 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by the evaluation criteria applied on quotations not indicated beforehand.

37. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 108 400 as disclosed in note 43 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties incurred from historical debt owed to Compensation fund under Department of Labour.

38. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R52 117 170, as disclosed in note 42 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed unauthorised expenditure was caused by non- cash items on depreciation and debt impairment.

Revenue management

39. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

Asset management

40. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.

Other information in the annual report

41. 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.

42. 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.

43. 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.

44. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

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

46. I have nothing to report in this regard.

Internal control deficiencies

47. 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.

48. The matters reported below are limited to the significant internal control deficiencies that resulted in opinion and the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

49. Management did not sufficiently implement adequate recording, reviewing and reporting processes and controls to ensure credible, complete and accurate financial reporting.

50. Management did not review and monitor compliance with laws and regulations consistently to prevent non-compliance with laws and regulations.

Auditor-General

Mbombela

15 December 2025

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the 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
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure Section 1 - Definition: service delivery and budget implementation plan Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a), Sections 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), 62(1)(f)(ii), Sections 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), Sections 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), Sections 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), Sections 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), Sections 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulation 71(1), 71(2), 72
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), 13(c)(i), 16(a), 17(1)(a), 17(1)(b), Regulations 17(1)(c). 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a) and (b), 29(5)(a)(ii), 29(5)(b)(ii), Regulations 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)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Sections 11(6)(b), 12(5), 16(1); 16(3)

Legislation	Sections or regulations
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17, 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	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), Regulations 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 27(1), 29(1)(b)(ii), 29(2)(a), Sections 29(2)(c), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, Sections 43(2), 56(a), 57(2)(a), 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), Sections 67(1)(d),74(1), 93J(1), 96(b) Parent municipality with ME: Sections 93B(a), 93B(b) Parent municipality with shared control of ME: Sections 93C(a)(iv), 93C(a)(v)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(5)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• 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 Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance (01 July 2024 – 30 June 2025)					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance %	Percentage for non-attendance %
Magubane, MP	Full Time	Executive Mayor Mayoral Committee Policies and By-Laws S79	PR	100%	0%
Gininda, SV	Full Time	Speaker Policies and By-Laws S79. Local Geographical Naming, Petitions, Rules and Ethics S79	PR	100%	0%
Masuku-Sidu, LL	Full Time	Whip of Council Policies and By-Laws S79	PR	100%	0%
Thomo, NG	Full Time	MPAC S79A	Ward 17	100%	0%
Zulu-Khumalo, GG	Full Time	Mayoral Committee. Corporate Services S80;	Ward 20	100%	0%
Dhlamini, ES	Full Time	Mayoral committee. Community Services S80	PR	100%	0%
Mathebula, JT	Full Time	Section 80 PMU Mayoral Committee.	PR	100%	0%

Councillors, Committees Allocated and Council Attendance (01 July 2024 – 30 June 2025)					
Motaung, RD	Full Time	Mayoral Committee. Finance S80	PR	100%	0%
Dube, SN	Full Time	Mayoral Committee. Technical Services S80	Ward 6	90%	10%
Nkumane MJ	Part Time	LGNC S79	Ward 1	90%	10%
Khumalo SP	Part Time	PED S79	Ward 2	90%	10%
Dlamini NV	Part Time	Technical Services S79	Ward 3	100%	0%
Mabuza VB	Part Time	Technical Services S80	Ward 4	90%	10%
Nkosi NP	Part Time	PED S80	Ward 5	100%	0%
Manana BL	Part Time	Technical Services S79	Ward 7	80%	20%
Methula ZC	Part Time	PMU S80	Ward 8	100%	0%
Nkambule KV	Part Time	Community Services S80	Ward 9	80%	0%
Lulane SK	Part Time	Community Services S79	Ward 10	80%	0%
Makene J	Part Time	Community Services S79	Ward 11	90%	10%
Shiba XSG	Part Time	PED S79	Ward 12	70%	30%
Hlatshwayo PT	Part Time	Technical Services S80	Ward 13	100%	0%
Mauku BM	Part Time	Community Services S80	Ward 14	100%	0%
Mncina LM	Part Time	MPAC S79A	Ward 15	100%	0%
Maisela SJ	Part Time	Finance S79	Ward 16	80%	20%
Gininda O	Part Time	PED S80	Ward 18	90%	10%

Councillors, Committees Allocated and Council Attendance (01 July 2024 – 30 June 2025)					
Masuku BM	Part Time	PED S80	Ward 19	90%	10%
Mbokane PS	Part Time	Corporate Services S80	Ward 21	80%	20%
Jele D	Part Time	Technical Services S79	Ward 22	90%	10%
Nkosi PZ	Part Time	Corporate Services S79	Ward 23	80%	20%
Thwala SJ	Part Time	Finance S80	Ward 24	90%	10%
Nkosi AJ	Part Time	Finance S79	Ward 25	80%	20%
Mbuli TG	Part Time	Corporate Services S80	PR	100%	0%
Sikhakhane NB	Part Time	Corporate Services S79	PR	100%	0%
Adams PP	Part Time	PMU S80	PR	100%	0%
Phakathi FDM	Part Time	MPAC S79 A	PR	100%	0%
Thomo GP	Part Time	Finance S79	PR	90%	10%
Matshaba KA	Part Time	Finance S80	PR	100%	0%
Nkosi DS	Part Time	MPAC S79A	PR	70%	30%
Van Der Walt L	Part Time	Finance S79	PR	90%	10%
Ndebele JCH	Part Time	PED Section 79		70%	30%

Councillors, Committees Allocated and Council Attendance (01 July 2024 – 30 June 2025)					
			PR		
Mbatha ME	Part Time	Corporate Services S79	PR	90%	10%
Thambekwayo MT	Part Time	Community Services S79	PR	60%	40%
Sithole BI	Part Time	Policies and By Laws S79	PR	100%	0%
Nkosi LNP	Part Time	MPAC S79A	PR	70%	30%
Hlophe MP	Part Time	Rules and Ethics S79	PR	70%	30%
Nkambule TT	Part Time	Technical Services S79	PR	70%	30%
Hlatshwayo CP	Part Time	Policies and By-Laws S79	PR	70%	30%
Zwane FC	Part Time	S79 LGNC	PR	90%	10%
					T A

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
S79 Committees [Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)] 1. Corporate Services Section 79. 2. Finance Section 79. 3. Technical Services Section 79. 4. Community Safety Services Committee Section 79. 5. Geographic Naming, Rules, Ethics and Petitions Committee. 6. Planning and Economic Development Section 79. 7. Policies and By-Laws Committee. 8. Local Labour Forum (LLF). 9. Multiparty Women's Commission Section 79.	To perform oversight over municipal departmental activities and performance
S79A Municipal Public Accounts Committee (MPAC) [Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)]	i) To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report; ii) In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the annual report must also be reviewed; this relates to current in-year reports, including the quarterly, mid-year and annual reports; iii) To examine the financial statements and audit reports of the Municipality, and in doing so, the Committee must consider improvements from previous statements and reports and must evaluate the extent to which the recommendations of the Audit Committee and Auditor-General have been implemented; iv) To promote good governance, transparency and accountability on the use of municipal resources; v) To recommend or undertake any investigation in its area of responsibility, after

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
	reviewing any investigation report already undertaken by the Municipality of the Audit Committee; and vi) To perform any other functions assigned to it through a resolution of Council within its area of responsibility.
S79 Policies and By-Laws Committee [Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)]	To consider all Council policies and by-laws, and make inputs and recommendations to Council
Audit Committee [S166 Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)]	i) To advise the Municipal Council, political office-bearers, accounting officer and management staff on matters relating to internal financial control and internal audit; risk management, accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management; effective governance; compliance with the Act, the annual Division of Revenue Act (DoRA) and any other applicable legislation; performance evaluation; and other issues referred to it by the Municipality; ii) To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness, and its overall level of compliance with the Act, the DoRA, and other applicable legislation; iii) To respond to council on any issues raised by the Auditor-General in the audit report; iv) To carry out such investigations into the financial affairs of the municipality as the council may request; and v) To perform such other functions as may be prescribed.
S80 Committees [(Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)] • Technical Services and PMU Committee • Community and Safety Services Committee • Corporate Services Committee • Finance Committee • Planning and Economic Development Committee	To assist the Executive Mayor in performing her oversight duties over administration on a day-to-day basis

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Ward Committees	increase the participation of local residents in municipal decision making, as they are a direct and unique link with the council • are representative of the local ward, and are not politically aligned • should be involved in matters such as the Integrated Development Planning Process, municipal performance management, the annual budget, council projects and other key activities and programmes as all these things impact on local people • can identify and initiate projects to improve the lives of people in the ward • can support the councillor in dispute resolutions, providing formation about municipal operations • can monitor the performance of the municipality and raise issues of concern to the local ward • can help with community awareness campaigns e.g. waste, water and sewage, payment of fees and charges, as members know their local communities and their needs.
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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	**Director/Manager (State title and name)**
Office of the Executive Mayor	Manager: Office of the Executive Mayor (Mr M.S. Nkosi)
Office of the Municipal Manager	Manager: Executive Support (Mr M.E. Shongwe
	Manager: Internal Audit Unit (Ms V.M Mathibi)
	Manager: Risk Management Unit (Ms S.K. Mavimbela)
	Manager: Performance Management Unit (Ms Z.E. Mtshweni)
Corporate Services	Chief of Staff (Mr M.S. Nkosi)
	Manager: Legal Services (Mr C.F. Dlamini)
	Manager: Human Resources (Mr E.D. Nkosi)
	Manager: Records and Administration (Mr T.M. Nhlapo)
	Unit Manager: Emanzana (Ms C.A. Chirwa)
	Unit Manager: Elukwatini (Mr V. Shabangu)
	Unit Manager: Ekulindeni (P.O. Ngomane)
	Unit Manager: Empuluzi (Mr D. Sibiya)
	Manager: Administration (Mr D.S. Nhlabathi)
	Manager: Communications (Mr T.T. Phetla)
	Manager: Head of Office (Office of the Speaker) (Mr J. Khumalo)
	Manager: Information and Communications Manager (Mr K. Marwane)
Financial Services	Manager: Budget and Treasury Office (Ms W.N. Reaname)
	Manager: Revenue (Mr D.M. Gininda)
	Manager: Expenditure (Mr O.G. Hlophe)
	Manager: Supply Chain Management Unit (Mr N.S. Mlangeni)
	Manager: Asset Management Unit (Ms C.N. Madinane)
	Manager: Revenue (Ms N.F. Malaza)
Community Services	Manager: Waste Management Unit (Ms N.P. Thabethe)
	Chief fire officer: (Mr G.O.L. Phetlhu)
	Chief Traffic Officer (Ms L.D. Zulu)
Technical Services	Manager: Water and Sanitation Services (Mr S.H. Nkosi)
	Manager: Electricity Service (Ms M.A. Vilakazi)
	Manager: Roads and Stormwater Services (Mr A. Maqola)
	Manager: Project Management Unit (Mr T. Thela)
	Manager: Electro-Mechanic (North) (Mr M. Ngobeni)
	Manager: Electro-Mechanic (South) (Ms. E. Sibiya)
Planning and Economic Development	Manager: Local Economic Development (Mr M.E. Thomo)
	Manager: Human Settlement (Mr J.A. Mndawe)
	Manager: Integrated Development Planning (Mr L.G. Shabangu)
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APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

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

Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

APPENDIX E – WARD REPORTING

Functionality of Ward Committees (July 2024 – June 2025)

Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/ No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Nkumane MJ	Yes	12	12	4
2	Khumalo SP	Yes	12	12	4
3	Dlamini, NE	Yes	12	12	4
4	Mabuza VB	Yes	12	12	4
5	Nkosi NP	Yes	12	12	4
6	Dube, SN	Yes	12	12	4
7	Manana BL	Yes	12	12	4
8	Methula ZC	Yes	12	12	4
9	Nkambule KV	Yes	12	12	4
10	Lulane SK	Yes	12	12	4
11	Makene J	Yes	12	12	4
12	Shiba XSG	Yes	12	12	4
13	Hlatshwayo PT	Yes	12	12	4
14	Mauku BM	Yes	12	12	4
15	Mncina LM	Yes	12	12	4
16	Maisela SJ	Yes	12	12	4
17	Motaung, RM	Yes	12	12	4
18	Gininda O	Yes	12	12	4
19	Masuku BM	Yes	12	12	4
20	Mathebula, JT	Yes	12	12	4
21	Mbokane PS	Yes	12	12	4
22	Jele D	Yes	12	12	4
23	Nkosi PZ	Yes	12	12	4

Functionality of Ward Committees (July 2024 – June 2025)					
Ward Name (Number)	**Name of Ward Councillor and elected Ward committee members**	**Committee established (Yes/ No)**	**Number of monthly Committee meetings held during the year**	**Number of monthly reports submitted to Speakers Office on time**	**Number of quarterly public ward meetings held during year**
24	Thwala SJ	Yes	12	12	4
25	Nkosi AJ	Yes	12	12	4

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2023/24				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
1	Eerstehoek Bulk Water Scheeme	15-Jun-22	14-Jun-24	R 128,491,128.4
2	Upgrading of Carolina WWTW	01-Mar-24	29/02/2026	R 225,283,850
3	Construction of Nhlazatshe 3 Collector Access Road	14-Nov-22	30-Jun-24	R 56,247,381.12
4	Construction of Nhlazatshe Road	12-Nov-17	30-Jun-24	R 56,740,779.2
5	Construction of Conventional Toilets in ward 07,08,11,13,19,21&23	15-Jun-23	30-Jun-24	R 126,308,945.00
6	Upgrading of Emanzana Wastewater Scheeme	13-Mar-23	30-Jun-25	R 36,598,827.41
7	Mpuluzi Methula phase 5,6 &7	26-Feb-21	29-Oct-24	R 174,643,863.8
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	60 788	62 974	61 447	23 399	
Households without minimum service delivery	2 515	329	1 856	39 904	
Total Households*	63 303	63 303	63 303	63 303	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2023/24**
1	ALMT18/2017 - Elukwatini G water distribution network system	Completed
2	ALMT12/2022 - Construction of VIP Toilets 2012-2015	Completed
3	ALMP01/2022 - Construction of Nhlazatshe 3 Collector Access Roads	Completed
4	ALMT13/2021 - Installation of Highmast	Completed
		T F.3

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2024/25

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2024/25	Recommendations adopted (enter Yes) If not adopted (provide explanation)
23 October 2024	The Audit Committee recommended that management should put measure in place to ensure there is no limitation of scope	yes
23 October 2024	The Audit committee recommended management should ensure the spending on capital projects for the quarter is in line with the DORA	yes
23 October 2024	The Audit committee recommended that management should put measures on the spending of contracted services which is higher for the quarter under review	Yes
23 October 2024	The Audit Committee recommended that management should ensure the performance of service providers and contractors are monitored on a regular basis, ensuring timely payment for goods and services rendered in accordance with agreed terms	yes
23 October 2024	The Audit Committee noted the implementation procurement plan	Yes
23 October 2024	The Audit Committee recommended that Management should ensure that findings raised by the internal audit are resolved	Yes
23 October 2024	The Audit Committee recommended that Management should ensure that all critical	No, the position for Director Technical Services has been vacant for over a year

	and funded posts are filled swiftly to ensure that service delivery is not compromised	
20 January 2025	The Audit committee recommended that management should ensure consistency in addressing issues raised by AGSA	Yes
20 January 2025	Management should ensure the interim financial statements are prepared and sent to Internal Audit for review	Yes
20 January 2025	Management should find means that will assist in monitoring and promptly removing irrecoverable debts	Yes
20 January 2025	Management should include a column for explanation of variances in the mid-year budget assessment report for better understanding	yes
20 January 2025	Management should include columns for the original budget, mid-year budget and the actual performance in the report	Yes
20 January 2025	Data clansing should be prioritized to ensure correct billing information and prevent revenue losses	Yes
22 April 2025	Management should develop a checklist for GRAP disclosure and compliance when preparing the AFS	Yes
22 April 2025	Management should present a full report on the issues of water within the municipality in the next meeting	Yes
22 April 2025	Management should consider hiring in-house mechanics electromechanical employees to improve the response time in repairs of the yellow fleet in the municipality	yes

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APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (Four (4) Largest Contracts Entered into during 2023/24)					R' 000
Name of Service Provider (Entity or Municipal Department)	**Description of Services Rendered by the Service Provider**	**Start Date of Contract**	**Expiry date of Contract**	**Project manager**	**Contract Value**
TMS Consulting	Construction of Nhlazatshe Road	12-Nov-17	30-Jun-24	B.P. Thela	**R 47 054 604,49**
RSK Consulting	construction of Badplass Landfill site	14-Nov-22	30-Jun-26	B.P. Thela	**R 20 689 551,82**
NKP Consulting	Construction of Carolina Collector Access Road	08-Sep-22	30-Jun-25	B.P. Thela	**R 37 978 946,80**
Vumesa Consulting	Mpuluzi Methula phase 5,6 &7	26-Feb-21	29-Oct-24	B.P. Thela	**R174 643 863,77**

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose	**(a) Service Indicators**	**2023/24**		**2022/23**			**2022/21**	**2020/21**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
	(b) Service Targets	***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Chief Albert Luthuli Municipality	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of 2024/25		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
(Executive) Mayor	Cllr MP Magubane	Nil
Member of MayCo / Exco		
MMC Technical Services	Cllr SN Dube	Nil
MMC Finance	Cllr RM Motaung	Nill
MMC Corporate Services	Cllr GG Zulu	Nil
MMC Special Programmes	Cllr JT Mathebula	Nil
MMC Community Services	Cllr ES Dhlamini	Nil
MMC PED	Cllr SP Nkosi	Nil
Chairperson of Section 79 A Committee		
MPAC Chairperson	Cllr NG Thomo	Nil
Councillor		
Ward 1	Cllr MJ Nkumane	Nil
Ward 2	Cllr SP Khumalo	Nil
Ward 3	Cllr N Dlamini	Nil
Ward 4	Cllr VB Mabuza	Nil
Ward 5	Cllr NP Nkosi	Nil
Ward 6	Cllr SN Dube	Nil
Ward 7	Cllr BL Manana	Nil
Ward 8	Cllr ZC Methula	Nil
Ward 9	Cllr KV Nkambule	Nil
Ward 10	Cllr SK Lulane	Nil
Ward 11	Cllr J Makene	Nil

Disclosures of Financial Interests		
Period 1 July to 30 June of 2024/25		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
(Executive) Mayor	Cllr MP Magubane	Nil
Ward 12	Cllr XSG Shiba	Nil
Ward 13	Cllr PT Hlatshwayo	Nil
Ward 14	Cllr BM Mauku	Nil
Ward 15	Cllr L Mncina	Nil
Ward 16	Cllr SJ Maisela	Nil
Ward 17	Cllr RD Motaung	Nil
Ward 18	Cllr OB Gininda	Nil
Ward 19	Cllr BM Masuku	Nil
Ward 20	Cllr JT Mathebula	Nil
Ward 21	Cllr PS Mbhokane	Nil
Ward 22	Cllr D Jele	Nil
Ward 23	Cllr PZ Nkosi	Nil
Ward 24	Cllr SJ Thwala	Nil
Ward 25	Cllr AJ Nkosi	Nil
PR Councillor	Cllr TG Mbuli	Nil
PR Councillor	Cllr FDM Phakathi	Nil
PR Councillor	Cllr L Van Der Walt	Nil
PR Councillor	Cllr KA Matshaba	Nil
PR Councillor	Cllr. EN Nkosi	Nil
PR Councillor	Cllr PP Adams	Nil
PR Councillor	Cllr NB Sikhakhane	Nil
PR Councillor	Cllr GP Thomo	Nil
PR Councillor	Cllr TJ Mnisi	Nil

Disclosures of Financial Interests		
Period 1 July to 30 June of 2024/25		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
(Executive) Mayor	Cllr MP Magubane	Nil
PR Councillor	Cllr FC Zwane	Nil
PR Councillor	Cllr TT Nkambule	Nil
PR Councillor	Cllr MT Thambekwayo	Nil
PR Councillor	Cllr LNP Nkosi	Nil
PR Councillor	Cllr BI Sithole	Nil
PR Councillor	Cllr ME Mbatha	Nil
PR Councillor	Cllr MP Hlophe	Nil
PR Councillor	Cllr CS Hlatshwayo	Nil

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY SOURCE

Refer to Audited AFS attached

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Refer to Audited AFS attached

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:
T L.1

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme* R '000				
Description	**2022/23**	**2023/24**		
	Actual	**Original Budget**	**Adjustment Budget**	**Actual Expenditure**
Capital expenditure by Asset Class				
Infrastructure - Total	**95 329**	**192,070**		**188,960**
Infrastructure: Road transport - Total	42 855	31,500		33,524
Roads, Pavements & Bridges	42 854 524	31,500,000	0	33,524,379
Storm water	0	0	0	0
Infrastructure: Electricity - Total	31 788	4,300		4,012
Generation	0	0	0	0
Transmission & Reticulation	0	0	0	0
Street Lighting	13 988 399	4,300,000	0	4,012,198
Infrastructure: Water - Total	–	155,323		150,476
Dams & Reservoirs	0	0	0	
Water purification	0	155,322,830	0	150,476,232
Reticulation	0	0	0	0
Infrastructure: Sanitation - Total	14 940	–		–
Reticulation	14 939 863	0	0	0
Sewerage purification		0	0	0
Infrastructure: Other - Total	5 746	947		947
Waste Management	5 745 940	946,710	0	946,709
Transportation	0	0	0	0
Gas	0	0	0	0
Other	0	0	0	0

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*				
				R '000
Description	2022/23	2023/24		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure
Capital expenditure by Asset Class				
Infrastructure - Total	**–**	**310,826**		**214,516**
Infrastructure: Road transport - Total	–	–		–
Roads, Pavements & Bridges	0	0	0	0
Storm water	0	0	0	0
Infrastructure: Electricity - Total	–	–		–
Generation	0	0	0	0
Transmission & Reticulation	0	0	0	0
Street Lighting	0	0	0	0
Infrastructure: Water - Total	–	68,978		71,349
Dams & Reservoirs	0	0	0	0
Water purification	249 621 898	68,978,006	0	71,348,709
Reticulation	0	0	0	0
Infrastructure: Sanitation - Total	–	241,848		143,167
Reticulation	0	241,847,545	0	143,167,142
Sewerage purification	0	0	0	0
Infrastructure: Other - Total	–	–		–
Waste Management	0	0	0	0
Transportation	0	0	0	0
Gas	0	0	0	0
Other	0	0	0	0
Community	**–**	**2,000**		**1,991**
Parks & gardens				
Sports fields & stadia	0	2,000,000	0	1,990,732
Other				

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2024/25

Capital Programme by Project: 2023/24					R' 000
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Water					
Refurbishment and Upgrading of Carolina Water Treatment Works to 6.0ml	R 9,531,251.00		R 9,531,251.00	100%	0%
Replacement of AC Pipe in Empuluzi Water Scheme: Goba, Phola& Redhill-Ward 04	R 12,767,640.00		R 12,767,640.00	100%	0%
Replacement of AC Pipe in Empuluzi Water Scheme: Swallowsnest	R 10,474,200.00		R 10,474,200.00	100%	0%
Upgrading of Emanzana Water Scheme Phase 2	R 10,000,000.00		R 10,000,000.00	100%	0%
Refurbishment of Ekulindeni WTW	R 26,204,915.00		R 26,204,915.00	100%	0%
Eerstehoek Bulk Water Scheme phase 4	R 128,491,128.40		R 128,491,128.40	100%	0%
Sanitation/Sewerage					
Refurbishment of the sludge drying beds, refurbishment of the inlet works, refurbishment of the mechanical works of the activated sludge tanks, Refurbishment of the secondary clarifier's mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4	R 19,739,547.00		R 19,739,547.00	100%	0%
Construction of Conventional Toilets in ward 07,08,11,13,19,21&23	R 10,000,000.00		R 10,000,000.00	100%	0%
Upgrading of Emanzana Wastewater Scheeme	R 36,598,827.41		R 36,598,827.41	100%	0%
Refurbishment of Elukwatini Pumpstations	R 13,137,554.86		R 13,137,554.86	100%	0%

Refurbishment of Ekulindeni WWTW	R 26,360,983.31		R 26,360,983.31	100%	0%
Upgrading of Carolina WWTW -Package 1	R 225,283,849.98		R 225,283,849.98	100%	0%
Upgrading of Carolina WWTW -Package 2	R 90,079,110.38		R 90,079,110.38	100%	0%
Upgrading of Carolina WWTW to 6 Mega litres	R 325,000,000.00		R 325,000,000.00	100%	0%
Electricity					
Installation of Highmast Lights	R 52,267,500.00		R 4,300,000.00	100%	-1116%
Electrification of households and Buk supply	R 9,760,000.00		R 9,760,000.00	100%	0%
Waste Management					
construction of Badplass Landfill site	R 16,003,630.65		R 946,710.00	100%	-1590%
Roads					
Construction of Carolina Collector Access Road	R 56,247,381.12		R 7,000,000.00	100%	-704%
Construction of Dundonald Collector Access Roads	R 56,740,779.20		R 2,000,000.00	100%	-2737%
Construction of Fernie Collector Access Roads	R 56,740,779.20		R 4,500,000.00	100%	-1161%
Construction of Nhlazatshe 3 Collector Access Road	R 56,247,381.12		R 6,000,000.00	100%	-837%
Construction of Nhlazatshe Road	R 56,740,779.20		R 4,500,000.00	100%	-1161%
Construction of Nhlazatshe Road 2km	R 56,247,381.12		R 6,000,000.00	100%	-837%
Construction for Fernie collector access road	R 56,247,381.12		R 1,500,000.00	100%	-3650%

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2024/25

Capital Programme by Project by Ward: 2023/24		
		R' 000
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Water		
Refurbishment and upgrading of Carolina Water Treatment Works to 6.0Mℓ/day	15,21 & 22	Yes
Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04	4	Yes
Replacement of AC Pipes in Empuluzi Water Scheme: Swallowsnest	6	Yes
Upgrading of Emanzana Water Scheme Phase 2	12	Yes
Refurbishment of Ekulindeni WTW	12	Yes
Eerstehoek Bulk Water Scheeme	10,13,14,16,18,19,20,23,24&25	Yes
Mpuluzi Methula phase 1	1,2,3,4,5,6,7,9,&11	No
Mpuluzi Methula phase 5,6 &7	1,4,5,6,7,9,&11	Yes
Sanitation/Sewerage		
Refurbishment of the sludge drying beds, refurbishment of the inlet works, refurbishment of the mechanical works of the activated sludge tanks, Refurbishment of the secondary clarifier's mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4	15,21&22	No
Construction of Conventional Toilets in ward 07,08,11,13,19,21&23	07,08,11,13,19,21,23	Yes
Upgrading of Emanzana Wastewater Scheeme	10	No
Refurbishment of Elukwatini Pumpstations	10,13,14,16,18,19,20,23,24&25	Yes
Upgrading of Carolina WWTW	15,21&22	No
Upgrading of Carolina WWTW to 6 Mega litres	15,21&22	No
Refuse removal		
construction of Badplass Landfill site	17&23	No
Electricity		
Installation of Highmast Lights	1,6,7,9,13,15,18	Yes
Electrification of households and Buk supply	1,3,6,16,17,21	Yes
Sports, Arts & Culture		
Refurbishment and Upgrading of Mpuluzi Stadium	1,2,3,4,5,6,7,9,&11	No
Roads		
Construction of Carolina Collector Access Road	15	No

Construction of Dundonald Collector Access Roads	5	No
Construction of Fernie Collector Access Roads	3	Yes
Construction of Nhlazatshe 3 Collector Access Road	17 & 23	Yes
Construction of Nhlazatshe Road	7	Yes
Construction of Nhlazatshe Road 2km	10	No
Construction for Fernie collector access road	3	No
		T O

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Chief Albert Luthuli Local Municipality
(Registration number MP301)
Annual Financial Statements
for the year ended 30 June 2025

General Information

Legal form of entity	Local Municipality
Municipal Dermacation Code	MP301
Executive Mayor	Magubane M.P
Speaker	Gininda S.V
Chief Whip	Sidu L.L
Mayoral Committee	Zulu G.G
	Mathebula J.T
	Dhlamini E.S
	Nkosi S.P
	Dube S.N
	Thomo N.G
MPAC Chairperson	Motuang R.M
Councillors	Nkumane M.J
	Khumalo S .P
	Dlamini N.E
	Mabuza V.B
	Nkosi N.P
	Manana B.L
	Methula Z.C
	Nkambule K.V
	Lulane S.K
	Makene J
	Shiba X.S.G
	Hlatshwayo P.T
	Mauku B.M
	Mncina L.M
	Maisela S.J
	Gininda O
	Masuku B.M
	Mbokane P.S
	Jele D
	Nkosi A.J
	Thwala S.J
	Nkosi A.J
	Mbuli T.G
	Sikhakhane N.B
	Adams P.P
	Phakathi F.D.M
	Thomo G.P
	Matshaba K.A
	Nkosi D.S
	Van der Walt L
	Ndebele J.C.H
	Mbatha M.E
	Thambekwayo M.T
	Sithole B.I
	Nkosi L.N.P

Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2025

General Information

	Hlophe M.P Nkambule T.P Hlatshwayo C.S Zwane F.C Mnisi T.J Nkosi N.E
Grading of local authority	Grade 3
Chief Finance Officer (CFO)	Sekgobela Matshemo Margaret
Accounting Officer	Thabethe Mgijima Ephraim
Registered office	28 Kerk Street Carolina 1185
Postal address	P.O Box 24 Carolina 1185
Bankers	Standard Bank of South Africa Limited
Auditors	Auditor-General of South Africa Registered Auditors
Attorneys	Mohlala Attorneys Mokoena Khulani Attorneys L Guzana Attorneys Mohale Inc Lusenga Attorneys Mkhonto & Ngwenya Inc Phambane Mokone Inc Mohuba Inc

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Abbreviations used:

GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
RBIG	Regional Bulk Infrastructure Grant
INEP	Integrated National Electrification Programme
WSIG	Water Services Infrastructure Grant
EPWP	Expanded Public Works Programme
FMG	Financial Managemeny Grant
MIG	Municipal Infrastructure Grant
LG SETA	Local Government Sector Education and Training Authority
AGSA	Auditor-General of South Africa
MPAC	Municipal Public Accounts Committee

Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2025

Accounting Officer's Responsibilities and Approval

In accordance with the Municipal Finance Management Act (Act 56 of 2003), the Accounting Officer is mandated to maintain comprehensive and accurate accounting records. The Accounting Officer assumes full responsibility for the integrity and accuracy of the annual financial statements and the accompanying financial information presented in this report.

It is the duty of the Accounting Officer to ensure that the annual financial statements provide a fair and accurate representation of the municipality's financial position as at the end of the financial year, as well as its operational results and cash flows for the reporting period. Independent external auditors have been appointed to express an opinion on these financial statements and were granted unrestricted access to all relevant financial records and supporting documentation.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including applicable interpretations, guidelines, and directives issued by the Accounting Standards Board. These statements are based on sound accounting policies that have been consistently applied and are supported by judicious and prudent estimates and judgments.

The Accounting Officer acknowledges ultimate responsibility for the municipality's system of internal financial controls and places significant emphasis on maintaining a robust control environment. To fulfil these responsibilities, the municipality has implemented internal control standards designed to mitigate the risk of error or financial loss in a cost-effective manner. These standards encompass clearly defined responsibilities, effective accounting procedures, and adequate segregation of duties to maintain an acceptable level of risk. Internal controls are continuously monitored, and all employees are expected to uphold the highest ethical standards to ensure that municipal operations are conducted with integrity and accountability.

The municipality's risk management approach focuses on the identification, assessment, management, and monitoring of all significant risks. While operational risks cannot be entirely eliminated, the municipality strives to minimize them through the implementation of appropriate infrastructure, controls, systems, and ethical practices within established procedures and constraints.

Based on information and explanations provided by management, the Accounting Officer is of the opinion that the internal control systems offer reasonable assurance regarding the reliability of the financial records used in the preparation of the annual financial statements. It is acknowledged, however, that any system of internal financial control can only provide reasonable, not absolute, assurance against material misstatement or loss.

Following a review of the municipality's cash flow forecast for the year ending 30 June 2026, and considering the current financial position, the Accounting Officer is satisfied that the municipality has, or has access to, sufficient resources to continue its operations for the foreseeable future.

The annual financial statements have been prepared on a going concern basis and were approved by the accounting officer on 31 August 2025 and signed on behalf of the municipality by:

Thabethe Mgijima Ephraim
(Pr. Tech. Eng)

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2025.

Audit committee members and attendance

The audit committee, consisting of independent outside members, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises..

Name of member	Number of meetings attended
Mokgope Phetego Nommie (BCOM HONS, CTA, Professional Accountants (SA)	8
Boitumelo Vilankulu (BCOM HONS)	7
Obed Thenga (BCOM HONS, CGAP, MFMP)	7
Anil Singh (RGFP, ICMA, MFMP)	7

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The effectiveness of internal control

Our review of the internal control environment revealed that there has been a room for improvement in the system of internal control of the municipality and reducing matters of emphasis and none compliance issues of previous year. Furthermore, there are several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the Auditor-General. However, the audit committee notes management's commitment and action plan to correct deficiencies.

In-year management and monthly/quarterly report

The municipality does have an effective monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA).

Performance management

The audit committee reviewed functionality of the performance management system and it appears to be functional, however there is a room for improvement in so far as achievement of planned targets is concerned and management identifying reasons for not achieving their targets as well as the corrective measures to be taken.

APPENDICES

Audit Committee Report

Risk management

The audit committee is of the opinion that municipality's risk management appears to be effective, and the municipality did implement a comprehensive risk management strategy and related policies. Management's sound and effective approach has been followed in developing strategic risk management plans and there is a sense of appreciation of the impact of the municipality's risk management framework on the control environment. There is a room for improvement in so far as fraud prevention.

Compliance with laws and regulations

A number of non-compliance with the enabling laws and regulations were revealed by audit committee, AGSA, and internal audit during the year. Thus there is a room for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

Internal audit

The audit comittee is satisfied with the effectiveness of internal audit and recommend that management and Council should capacitate this unit.

Progress in implementation of AGSA findings from prior year

Management has developed an audit action to address findings raised by AGSA. Efforts made by management to address prior year material findings are noted and management is commended for their efforts

Progress on implementations of internal audit recommendations

A material number of internal audit recommendations were implemented by management. There is a room for improvement in this regard and thus, the audit committee recommended to the municipality to prioritise the implementation of recommendations by internal audit.

Implementations of audit committee recommendations by management

A material number of audit committee recommendations to management were implemented the progress was at 96% in terms of implementation. There is room for improvement in this regard and thus, the audit committee recommended to the municipality to fast track the implementation of recommendations by audit committee.

Conclusion

The audit and performance committee wishes to acknowledge the commitment from Council, management and staff of the municipality. The stability in terms of the political and administrative leadership of the municipality has contributed to these improvements report above. We would also like to thank the Executive Mayor for his support, Councillors, Senior Management for their efforts and internal audit for their contribution.

Chairperson of the Audit Committee
Mokgope Phethego

Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	22,093,998	16,228,109
Receivables from exchange transactions	4	32,230,773	23,492,436
Receivables from non-exchange transactions	5	53,144,579	18,456,072
Inventories	6	17,226,217	16,191,151
Investments	7	5,571,148	5,108,226
Operating lease asset	8	7,626	4,069
VAT	5&9	14,785,641	9,488,959
		145,059,982	**88,969,022**
Non-Current Assets			
Operating lease asset	8	26,791	34,418
Investments	7	557,794	516,077
Investment property	10	49,148,270	47,760,625
Property, plant and equipment	11	3,012,231,223	2,653,228,756
Heritage assets	12	165,000	165,000
		3,062,129,078	**2,701,704,876**
Total Assets		**3,207,189,060**	**2,790,673,898**
Liabilities			
Current Liabilities			
Payables from exchange transactions	13	183,144,467	190,878,932
Finance lease obligation	14	6,412,744	3,689,091
Unspent conditional grants	15	-	11,964,000
Employee benefit obligation	17	1,122,000	1,048,001
Long service award	18	1,777,000	1,069,000
Provisions	16	525,122	-
		192,981,333	**208,649,024**
Non-Current Liabilities			
Finance lease obligation	14	6,842,324	7,022,235
Employee benefit obligation	17	9,573,001	8,699,000
Provisions	16	48,001,201	38,117,020
Long service award	18	11,873,000	11,136,000
		76,289,526	**64,974,255**
Total Liabilities		**269,270,859**	**273,623,279**
Net Assets		**2,937,918,201**	**2,517,050,619**
Social responsibility		23,946,531	16,091,570
Reserves			
Revaluation reserve		84,700,463	84,700,463
Accumulated surplus		2,829,271,202	2,416,258,594
Total Net Assets		**2,937,918,196**	**2,517,050,627**

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	86,329,918	82,259,662
Construction contracts	20	5,747,826	-
Rental income- facilities		461,845	533,109
Interest received from exchange transactions- consumers	21	20,772,532	14,395,937
Other income	22	5,107,762	5,990,424
Interest received - investment		14,576,808	16,207,211
Fair value adjustments	23	3,871,249	-
Total revenue from exchange transactions		**136,867,940**	**119,386,343**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	24	133,475,538	68,190,627
Licences and Permits		494,902	24,502
Interest received from non-exchange transactions- consumers	21	20,280,279	16,609,236
Transfer revenue			
Government grants & subsidies	25	927,756,951	924,995,501
Donations	26	1,915,889	7,776,143
Traffic fines		5,401,641	6,090,460
Total revenue from non-exchange transactions		**1,089,325,200**	**1,023,686,469**
Total revenue		**1,226,193,140**	**1,143,072,812**
Expenditure			
Employee related costs	27	(263,660,239)	(249,566,258)
Remuneration of councillors	28	(24,249,479)	(23,401,579)
Depreciation and amortisation		(77,678,723)	(66,967,533)
Impairment loss		(2,055,507)	(433,146)
Finance costs	29	(5,283,301)	(4,038,637)
Debt Impairment		(37,239,124)	(47,808,858)
Irrecoverable debt	30	(5,280,900)	-
Bulk purchases	31	(136,596,242)	(117,294,553)
Contracted services	32	(112,670,898)	(137,443,795)
Grants and subsidies expenditure		(6,045,958)	(8,709,362)
Loss on disposal of assets and liabilities		(6,846,605)	(3,478,255)
Operational cost	33	(135,573,548)	(119,963,334)
Fair value adjustments	23	-	(385,766)
Financial loss	34	-	(266,336)
Total expenditure		**(813,180,524)**	**(779,757,412)**
Surplus for the year		**413,012,616**	**363,315,400**

Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

Figures in Rand	Social Responsibility	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	9,363,638	84,700,463	2,079,586,438	2,173,650,539
Adjustments				
Prior year adjustments 50	-	-	(26,643,244)	(26,643,244)
Balance at 01 July 2023 as restated*	**9,363,638**	**84,700,463**	**2,052,943,194**	**2,147,007,295**
Changes in net assets				
Contributions	6,727,932	-	-	6,727,932
Net income (losses) recognised directly in net assets	6,727,932	-	-	6,727,932
Surplus for the year	-	-	363,315,400	363,315,400
Total recognised income and expenses for the year	6,727,932	-	363,315,400	370,043,332
Total changes	6,727,932	-	363,315,400	370,043,332
Restated* Balance at 01 July 2024	**16,091,570**	**84,700,463**	**2,416,258,586**	**2,517,050,619**
Changes in net assets				
Surplus for the year	-	-	413,012,616	413,012,616
Contributions	7,854,961	-	-	7,854,961
Total changes	7,854,961	-	413,012,616	420,867,577
Balance at 30 June 2025	**23,946,531**	**84,700,463**	**2,829,271,202**	**2,937,918,196**

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Taxation and fines		92,132,937	74,481,211
Sales of goods and services		43,753,857	7,778,745
Government grants and subsidies		915,792,951	920,945,501
Interest income		55,629,619	47,212,384
Other receipts		6,065,105	6,579,809
VAT Received		(5,296,682)	11,771,506
		1,108,077,787	1,068,769,156
Payments			
Employee related costs		(284,166,062)	(269,645,246)
Suppliers		(398,839,175)	(346,056,512)
Finance costs		(23,128)	(45,415)
Transfers and subsidies paid		(6,045,958)	(8,709,362)
		(689,074,323)	(624,456,535)
Net cash flows from operating activities	35	**419,003,464**	**444,312,621**
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(413,964,005)	(441,151,019)
Movement in investments		(391,035)	-
Net cash flows from investing activities		**(414,355,040)**	**(441,151,019)**
Cash flows from financing activities			
Finance lease payments		1,213,683	8,983,388
Net increase/(decrease) in cash and cash equivalents		**5,862,107**	**12,144,990**
Cash and cash equivalents at the beginning of the year		16,228,109	4,083,119
Cash and cash equivalents at the end of the year	3	**22,090,216**	**16,228,109**

Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	79,021,359	-	**79,021,359**	86,329,918	**7,308,559**	49
Construction contracts	4,410,000	2,200,000	**6,610,000**	5,747,826	**(862,174)**	49
Rental income	1,192,992	-	**1,192,992**	461,845	**(731,147)**	49
Interest received- customers	26,353,000	-	**26,353,000**	20,772,532	**(5,580,468)**	49
Other income	34,405,344	13,938,011	**48,343,355**	5,107,762	**(43,235,593)**	49
Interest received - investment	14,122,584	-	**14,122,584**	14,576,808	**454,224**	
Total revenue from exchange transactions	**159,505,279**	**16,138,011**	**175,643,290**	**132,996,691**	**(42,646,599)**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	135,346,296	-	**135,346,296**	133,475,538	**(1,870,758)**	
Licences and Permits	-	475,336	**475,336**	494,902	**19,566**	
Interest received - consumers	20,459,208	-	**20,459,208**	20,280,279	**(178,929)**	
Transfer revenue						
Government grants & subsidies	933,118,008	(17,766,000)	**915,352,008**	927,756,951	**12,404,943**	49
Donations	-	-	**-**	1,915,889	**1,915,889**	49
Traffic fines	770,664	-	**770,664**	5,401,641	**4,630,977**	49
Total revenue from non-exchange transactions	**1,089,694,176**	**(17,290,664)**	**1,072,403,512**	**1,089,325,200**	**16,921,688**	
Total revenue	**1,249,199,455**	**(1,152,653)**	**1,248,046,802**	**1,222,321,891**	**(25,724,911)**	
Expenditure						
Employee related costs	(282,785,650)	9,164,349	**(273,621,301)**	(263,660,239)	**9,961,062**	49
Remuneration of councillors	(27,614,904)	1,230,060	**(26,384,844)**	(24,249,479)	**2,135,365**	49
Depreciation and amortisation	(55,600,260)	(999,904)	**(56,600,164)**	(77,678,723)	**(21,078,559)**	49
Impairment loss	-	-	**-**	(2,055,507)	**(2,055,507)**	49
Finance costs	(1,982,100)	(3,906,134)	**(5,888,234)**	(5,283,301)	**604,933**	49
Debt Impairment	(27,681,471)	10,300,130	**(17,381,341)**	(37,239,124)	**(19,857,783)**	49
Irrecoverable debt	(16,681,464)	16,549,709	**(131,755)**	(5,280,900)	**(5,149,145)**	49
Bulk purchases	(124,068,078)	(11,550,209)	**(135,618,287)**	(136,596,242)	**(977,955)**	
Contracted Services including repairs and maintenance	(129,093,770)	9,614,522	**(119,479,248)**	(112,670,898)	**6,808,350**	49
Transfers and Subsidies	(8,000,000)	1,900,000	**(6,100,000)**	(6,045,958)	**54,042**	
Capital projects	(460,285,354)	(258,350)	**(460,543,704)**	(460,543,704)	**-**	
Operational Cost including indigent relief	(99,939,566)	(43,666,281)	**(143,605,847)**	(135,573,548)	**8,032,299**	49
Total expenditure	**(1,233,732,617)**	**(11,622,108)**	**(1,245,354,725)**	**(1,266,877,623)**	**(21,522,898)**	
Operating deficit	**15,466,838**	**(12,774,761)**	**2,692,077**	**(44,555,732)**	**(47,247,809)**	
Loss on disposal of assets and liabilities	-	-	**-**	(6,846,605)	**(6,846,605)**	49
Fair value adjustments	62,700	(62,700)	**-**	3,871,249	**3,871,249**	49

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	62,700	**(62,700)**	**-**	**(2,975,356)**	**(2,975,356)**	
Deficit before taxation	**15,529,538**	**(12,837,461)**	**2,692,077**	**(47,531,088)**	**(50,223,165)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**15,529,538**	**(12,837,461)**	**2,692,077**	**(47,531,088)**	**(50,223,165)**	
Reconciliation						

Chief Albert Luthuli Local Municipality

(Registration number MP301)
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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Cash and cash equivalents	59,580,365	(29,705,727)	**29,874,638**	22,093,998	**(7,780,640)**	49
Receivables from exchange transactions	112,883,303	6,016,804	**118,900,107**	32,230,773	**(86,669,334)**	49
Receivables from non-exchange transactions	47,673,447	14,109,393	**61,782,840**	53,144,579	**(8,638,261)**	49
Inventories	5,572,156	(4,000,000)	**1,572,156**	17,226,217	**15,654,061**	49
Investments	18,695,677	-	**18,695,677**	5,571,148	**(13,124,529)**	49
VAT	128,547,746	-	**128,547,746**	14,785,641	**(113,762,105)**	49
Operating lease asset	4,659,979	-	**4,659,979**	7,626	**(4,652,353)**	49
	377,612,673	**(13,579,530)**	**364,033,143**	**145,059,982**	**(218,973,161)**	
Non-Current Assets						
Operating lease asset	578,462	-	**578,462**	26,791	**(551,671)**	49
Investments	-	-	**-**	557,794	**557,794**	49
Investment property	46,981,760	-	**46,981,760**	49,148,270	**2,166,510**	49
Property, plant and equipment	2,994,014,169	(2,062,869)	**2,991,951,300**	3,012,231,223	**20,279,923**	49
Heritage assets	-	-	**-**	165,000	**165,000**	49
	3,041,574,391	**(2,062,869)**	**3,039,511,522**	**3,062,129,078**	**22,617,556**	
Total Assets	**3,419,187,064**	**(15,642,399)**	**3,403,544,665**	**3,207,189,060**	**(196,355,605)**	
Liabilities						
Current Liabilities						
Payables from exchange transactions	297,789,970	(1,693,975)	**296,095,995**	183,144,467	**(112,951,528)**	49
Finance lease obligation	1,293,990	-	**1,293,990**	6,412,744	**5,118,754**	49
Unspent conditional grants	4,535,992	17,000	**4,552,992**	-	**(4,552,992)**	49
Employee benefit obligation	2,948,960	-	**2,948,960**	1,122,000	**(1,826,960)**	49
Provisions	-	-	**-**	525,122	**525,122**	49
Long service award	-	-	**-**	1,777,000	**1,777,000**	49
	306,568,912	**(1,676,975)**	**304,891,937**	**192,981,333**	**(111,910,604)**	
Non-Current Liabilities						
Finance lease obligation	253,737	-	**253,737**	6,842,324	**6,588,587**	49
Employee benefit obligation	-	-	**-**	9,573,001	**9,573,001**	49
Provisions	105,790,672	-	**105,790,672**	48,001,201	**(57,789,471)**	49
Long service award	9,414,720	-	**9,414,720**	11,873,000	**2,458,280**	49
	115,459,129	**-**	**115,459,129**	**76,289,526**	**(39,169,603)**	
Total Liabilities	**422,028,041**	**(1,676,975)**	**420,351,066**	**269,270,859**	**(151,080,207)**	
Net Assets	**2,997,159,023**	**(13,965,424)**	**2,983,193,599**	**2,937,918,201**	**(45,275,398)**	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Social responsibility	-	-	**-**	23,946,531	**23,946,531**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Reserves						
Revaluation reserve	-	-	**-**	84,700,463	**84,700,463**	
Accumulated surplus	2,997,221,723	-	**2,997,221,723**	2,829,271,207	**(167,950,516)**	49
Total Net Assets	**2,997,221,723**	**-**	**2,997,221,723**	**2,937,918,201**	**(59,303,522)**	

Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Taxation and fines	87,975,067	-	**87,975,067**	113,683,454	**25,708,387**	49
Sale of goods and services	53,896,642	-	**53,896,642**	34,123,542	**(19,773,100)**	49
Government grants and subsidies	937,529,187	(15,566,000)	**921,963,187**	915,792,951	**(6,170,236)**	49
Other receipts	130,032,892	14,233,347	**144,266,239**	55,629,619	**(88,636,620)**	49
	1,209,433,788	**(1,332,653)**	**1,208,101,135**	**1,119,229,566**	**(88,871,569)**	
Payments						
Employees	(270,000,000)	6,000,000	**(264,000,000)**	(285,484,956)	**(21,484,956)**	49
Suppliers	(387,956,331)	(39,379,965)	**(427,336,296)**	(396,249,801)	**31,086,495**	49
Finance costs	(1,982,096)	(2,676,074)	**(4,658,170)**	(1,353,187)	**3,304,983**	49
	(659,938,427)	**(36,056,039)**	**(695,994,466)**	**(683,087,944)**	**12,906,522**	
Net cash flows from operating activities	**549,495,361**	**(37,388,692)**	**512,106,669**	**436,141,622**	**(75,965,047)**	
Cash flows from investing activities						
Purchase of property, plant and equipment	(489,915,000)	-	**(489,915,000)**	(452,197,023)	**37,717,977**	49
Proceeds from sale of property, plant and equipment	-	-	**-**	(5,305,379)	**(5,305,379)**	
Interest investment	14,122,584	-	**14,122,584**	14,576,808	**454,224**	
Movement in investments	-	-	**-**	(504,639)	**(504,639)**	
Net cash flows from investing activities	**(475,792,416)**	**-**	**(475,792,416)**	**(432,819,475)**	**32,362,183**	
Cash flows from financing activities						
Finance lease payments	-	-	**-**	2,543,742	**2,543,742**	
Net increase/(decrease) in cash and cash equivalents	73,702,945	(37,388,692)	**36,314,253**	5,865,889	**(43,602,864)**	
Cash and cash equivalents at the beginning of the year	4,573,093	-	**4,573,093**	16,228,109	**11,655,016**	
Cash and cash equivalents at the end of the year	**78,276,038**	**(37,388,692)**	**40,887,346**	**22,093,998**	**(31,947,848)**	
Reconciliation						

Significant Accounting Policies

Figures in Rand	Note(s)	2025	2024

1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

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.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 Going concern assumption

These annual financial statements have been prepared on the going concern basis which assumes that the municipality will continue to operate in the foreseeable future and that there are no intentions or requirements to liquidate or significantly curtail the scale of its operations.

1.4 Significant judgements and sources of estimation uncertainty

In the process of applying the municipality's accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Going concern

Included in management's assessment of the municipality's going-concern status are:

- key financial metrics
- the general economic conditions and forecast
- approved medium-term budgets; and
- the municipality's dependency on grants from National Government and the Provincial Government

Based on all of the above, management has concluded that the going-concern assumption used in the compiling of its financial statements, is appropriate

Materiality

Materiality is judged according to the size and nature of the item. The deciding factor is whether the omission or misstatement could, individually or collectively, influence users' decisions based on these audited annual financial statements.

In preparing the audited annual financial statements, materiality has been considered in:

- deciding what to report in the audited annual financial statements and how to present it; and
- assessing the effect of omissions, misstatements and errors on the audited annual financial statements.

In assessing whether an item, transaction or event is material, specific thresholds for specific items, transactions and events, or aggregations thereof, have been developed. These thresholds are used to make decisions about the reporting of information (i.e. how to recognise, measure, present and disclose items, transactions and events) and serve as a margin of error or framework within which to assess misstatements and errors.

Threshold for budget information

Variances between budget and actual amounts are regarded as material when the variance is:

Significant Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

- 10% or greater in the statement of financial position, the statement of financial performance, and the cash flow statement; and
- 5% or greater in capital expenditure.

All material differences are explained in note 49 to these financial statements.

Qualitative thresholds

The nature of an item, transaction or event is determined by its inherent characteristics, or the circumstances in which it was undertaken. Items, transactions or events may be considered material:

- if they relate to legal or regulatory requirements, e.g. specific disclosures required by legislation, restrictions on certain transactions or activities imposed by legislation, or breaches of legislation.
- if they constitute related-party transactions.
- depending on their regularity or frequency, e.g. a once-off transfer of funds to another entity in terms of legislation, or a ministerial directive.
- if they result in the reversal of a trend, e.g. changing a surplus to a deficit, or vice versa.
- if they are likely to result in a change in accounting policy.
- if they involve the commencement of a new function, or the reduction or discontinuation of an existing one.
- depending on the degree of estimation or judgement required to determine their value; and
- if they affect the going-concern assumption of the municipality.

The relative importance of these qualitative factors in determining materiality is a matter of professional judgement.

Receivables from exchange and non-transactions

The municipality assesses its trade 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.

Distribution losses

Distribution losses were assessed and management determined the estimate after consultation with management experts. The adjustment was based on available information. Additional disclosure has been included in note 31

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

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. 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.

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 17.

Significant Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Effective interest rate

The municipality used the CPI to discount future cash flows except where stated otherwise..

Allowance for impairments

On debtors 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 debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

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.

Fair value

Subsequent to initial measurement investment property is measured at fair value. Refer to note 10

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.

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

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.

Significant Accounting Policies

1.6 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	10-50 years
Landfill site	Straight-line	0-100 years
Infrastucture	Straight-line	15-80 years
Community	Straight-line	10-50 years
Other assets	Straight-line	2-35 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 11).

Significant Accounting Policies

1.6 Property, plant and equipment (continued)

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 11).

1.7 Heritage assets

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

Initial recognition and measurement

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

Where a heritage asset is acquired through a non-exchange transaction, it's cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

A heritage asset shall not be depreciated but an entity shall assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

In assessing whether there is an indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications:

External sources of information
- during the period, a heritage asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use
- the absence of an active market for a revalued heritage asset.

Internal sources of information
- evidence is available of physical damage or deterioration of a heritage asset
- a decision to halt the construction of the heritage asset before it is complete or in a usable form

Derecognition

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

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

Significant Accounting Policies

1.8 Financial instruments

Classification

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	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Investments	Financial asset measured at fair value

The municipality has the following types of financial liabilities (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade payables	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Significant Accounting Policies

1.8 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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 directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

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

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

Significant Accounting Policies

1.8 Financial instruments (continued)

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the municipality currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the municipality does not offset the transferred asset and the associated liability.

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.

Classification
The municipality has the following types of statutory receivables as reflected on the face of the statement of financial position or in the notes thereto:

Class	Legislation
Property rates	Municipal Property Rates Act 6 of 2004
Traffic fines	National Road Traffic Act 93 of 1996
VAT	VAT Act 89 of 1991

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.

Significant Accounting Policies

1.9 Statutory receivables (continued)

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, a 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 a statutory receivable 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.

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 receivable 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.

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.

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

1.10 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.

Significant Accounting Policies

1.10 Leases (continued)

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 is implicit rate in the lease.

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 of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.11 Inventories

Inventories consist of consumables stock, water stock and other goods held for use or resale.

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.

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.

Significant Accounting Policies

1.11 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water is regarded as inventories when the municipality purchases water in bulk with the intention to resell it to consumers or to use it internally, or wherever the municipality has incurred purification costs on water obtained from natural resources (rain,rivers,springs,boreholes).However, water in water dams under control of the municipality, that are filled by natural resources and that has not been treated,cannot be measured reliably as there is no cost attached to the water, and is therefore not recognised as inventories.

1.12 Construction contracts

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

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

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

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

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

1.13 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.

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.

Significant Accounting Policies

1.13 Impairment of cash-generating assets (continued)

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.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

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.

Significant Accounting Policies

1.13 Impairment of cash-generating assets (continued)

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.

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 entity 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.

1.14 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

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

Significant Accounting Policies

1.14 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.15 Social responsibility

An equity instrument is any contract that evidences a residual interest in the assets of a municipality after deducting all of its liabilities.

Significant Accounting Policies

1.16 Employee benefits

Identification

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Short-term employee benefits

Recognition and measurement

Bonus, incentive and performance related payments

The municipality recognises the expected cost of bonus, incentive and performance related payments when, and only when:

(a) the municipality has a present legal or constructive obligation to make such payments as a result of past events; and

(b) a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the municipality has no realistic alternative but to make the payments.

Post-employment benefits: Defined contribution plans

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.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Post-employment benefits: Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested , and are otherwise amortised on a straight line basis over the average period

The amount recognised is the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs.

Significant Accounting Policies

1.17 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.

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 surplus (deficit).

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurence or non-occurence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurence or non-occurence of one or more uncertain future events not wholly within the control of the municipality; or

- a present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

Significant Accounting Policies

1.17 Provisions and contingencies (continued)

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 is 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 consider 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 account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.13 and 1.14.

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 is 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.

1.18 Unspent conditional grants

Unspent conditional grants are recognised as liabilities on the Statement of Financial Position. These include unutilised government grants, subsidies, and contributions from governmental bodies.As there are no contractual arrangements in place, these grants do not meet the definition of financial instruments in accordance with GRAP 104. Revenue from such grants is legislated rather than contractually earned.

If the conditions attached to a grant are not fulfilled and repayment is required, the remaining unspent amount is reclassified as a payable. This payable is then regarded as a financial instrument and must be backed by cash at all times.

Upon receipt of the grant, the unspent conditional portion is recorded as a liability. As the grant conditions are satisfied, a corresponding amount is recognised as revenue in the Statement of Financial Performance.

The cash backing this liability is invested until it is needed for its intended use.

1.19 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.

Significant Accounting Policies

1.20 Revenue from exchange transactions

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.

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 revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method..

Significant Accounting Policies

1.21 Revenue from non-exchange transactions

Property rates

Revenue from property rates is classified as non-exchange revenue in terms of GRAP 23, as the municipality does not provide a direct, measurable benefit to the ratepayer in exchange for the payment.

Property rates are levied in terms of the Municipal Property Rates Act, Act No. 6 of 2004, and are recognised as revenue when:

- the municipality has issued the rates notice to the property owner
- there is a legally enforceable claim for the amount due.
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- the amount of revenue can be measured reliably.

Property rates are measured at the amount receivable, which is determined in accordance with the approved rates tariffs and the valuation of the property as per the municipality's valuation roll.

- revenue is measured net of any rebates, exemptions, or reductions granted in terms of the municipality's rates policy.
- penalties and interest on late payments are recognised separately as revenue when incurred.

Timing of recognition

- annual rates are recognised at the start of the financial year to which they relate
- monthly rates (if applicable) are recognised on a monthly basis as they accrue

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective,which ever is earlier. When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Traffic fines

Revenue from traffic fines is classified as revenue from non-exchange transactions in terms of GRAP 23.

Revenue from traffic fines 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 revenue can be measured reliably.

Summons
Summons are subject to prosecutorial discretion, as the public prosecutor may waive, reduce, or enforce the fine. Where reliable estimates can be made, revenue is recognised based on historical collection patterns. Where reliable measurement is not possible, revenue is recognised only when the public prosecutor pays over to the municipality the cash collected on summonses issued.

Significant Accounting Policies

1.21 Revenue from non-exchange transactions (continued)

Measurment basis
The fair value of traffic fine revenue is measured at the amount of cash inflows expected to be received, based on past collection experience and adjusted for uncertainties relating to enforceability and prosecutorial discretion.

Other grants and donations

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.

Other grants and donations are recognised as revenue when:
- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality.
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.22 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.

1.23 Accounting by principals and agents

Identification

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

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

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

Identifying whether an entity is a principal or an agent

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

The assessment of whether 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.

Significant Accounting Policies

1.23 Accounting by principals and agents (continued)

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

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

Recognition

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

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.25 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;
- overspending of the total amount appropriated for a vote in the approved budget;.
- expenditure from a vote unrelated to the department or functional area covered by the vote;
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose.
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.
- a grant by the municipality otherwise than 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.

1.26 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.

1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Significant Accounting Policies

1.27 Irregular expenditure (continued)

All expenditure relating to irregular 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.

1.28 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.

1.29 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 which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.30 Budget information

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/07/01 to 2025/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.31 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.

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.

Significant Accounting Policies

1.31 Related parties (continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.32 Subsequent events

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.33 Grants in aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events giving rise to the transfer occurred.

1.34 Expenditure

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence's of liabilities that result in decreases in net assets, other than those relating to distributions to owners

Expenses are recognised as when they satisfy the definitions and recognition criteria for those elements in the Framework for the Preparation and Presentation of Financial Statements.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

2. New standards and interpretations

2.1 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 107 Mergers	Not yet announced	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	Not yet announced	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Not yet announced	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	Not yet announced	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Expected impact is a significant effect on the classification and measurement of financial assets and liabilities, as well as on impairment calculations

Amendments to GRAP 104 – Financial Instruments

The Accounting Standards Board (ASB) issued a revised GRAP 104: Financial Instruments, effective for reporting periods commencing on or after 1 April 2025. The revised standard aligns more closely with IFRS 9, introducing significant changes in the classification, measurement, and impairment of financial instruments. Key amendments include:

- New measurement categories:
  - Amortised cost
  - Fair value through profit or loss
  - Fair value through other comprehensive income
- Expected Credit Loss (ECL) model replaces the incurred-loss model, making impairment more forward-looking.
- Enhanced disclosure requirements on credit risk, liquidity risk, and market risk.
- Simplified guidance for public sector entities, including concessionary loans and exclusion of hedge accounting.

Municipality's application approach:

In line with ASB Directive 5, the municipality will apply these amendments prospectively from 1 July 2025, and comparative figures will not be restated. The implementation of the revised GRAP 104 has been assessed and it is anticipated to have a significant effect on the classification and measurement of financial assets and liabilities, as well as on impairment calculations.

By the next reporting date of 30 June 2026, these changes are expected have a material impact on the municipality's accounting policies and financial reporting specifically in the following areas:

- Classification and Measurement: Financial assets and liabilities will be reclassified and measured in line with the new requirements, which may affect reported values.
- Impairment Calculations: The revised approach introduces updated impairment models that could result in changes to provisions for credit losses.
- Presentation and Disclosure: Enhanced disclosures will be required to comply with the revised GRAP 104 framework.

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

3. Cash and cash equivalents (continued)

Main bank account	2,412,981	4,109,860
Traffic bank account	(73)	66,664
Rates bank account	388,786	-
OCDI bank account	8,243	-
Call accounts	19,284,061	12,051,585
	22,093,998	**16,228,109**

The municipality had 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
Standard Bank - Current Account- 033255954	2,435,169	4,109,913	782,497	2,412,982	4,109,860	(1,450,937)
Standard bank-Current account-031686648	176	66,561	116,052	(172)	66,561	116,055
Standard bank-Current account -03496040000	388,786	-	-	388,786	-	-
Standard bank-Current account-031496075000	8,243	-	-	8,243	-	-
Standard Bank-InvestmentAccount-308654552-001	1,610,241	61,850	39,063	1,610,238	61,850	39,060
Standard Bank-Investment Account-038478668-002	7,702,325	51,510	221,700	7,702,326	51,510	221,700
Standard Bank - InvestmentAccount-038478668-003	1,951,302	50,000	3,156,312	1,951,302	50,000	3,156,313
Standard Bank-InvestmentAccount-038478668-004	403,330	372,513	346,785	403,330	372,513	346,785
Standard Bank-InvestmentAccounts-034878668-005	7,574,783	11,481,199	924,146	7,574,783	11,481,199	924,146
Standard Bank-Investment Account-038478668-006	42,083	34,515	729,997	42,083	34,515	729,997
Total	**22,116,438**	**16,228,061**	**6,316,552**	**22,093,901**	**16,228,008**	**4,083,119**

Call accounts summary

Standard Bank-InvestmentAccount-308654552-001	1,610,241	61,850
Standard Bank-Investment Account-038478668-002	7,702,325	51,510
Standard Bank-Investment Account-038478668-003	1,951,302	50,000
Standard Bank-Investment Account-038478668-004	403,330	372,513
Standard Bank-Investment Account-038478668-005	7,574,783	11,481,199
Standard Bank-Investment Account-038478668-006	42,083	34,515
	19,284,064	**12,051,587**

Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
4. Receivables from exchange transactions		
Gross balances		
Electricity	19,692,534	19,458,387
Water	73,326,457	59,886,265
Sewerage	115,085,257	103,394,814
Refuse	101,091,932	90,787,592
Auctioneer	2,842,164	918,659
Prepaid electricity vendor	1,485,294	1,485,294
Other	1,174,379	1,533,378
Other receivable	43,672	-
Contour	96,714	128,122
VAT input accrual	7,082,818	5,126,081
	321,921,221	**282,718,592**
Less: Allowance for impairment		
Electricity	(15,615,896)	(15,351,730)
Water	(67,474,928)	(54,893,031)
Sewerage	(109,584,206)	(100,624,077)
Refuse	(96,128,330)	(87,376,912)
Other	(887,088)	(980,406)
	(289,690,448)	**(259,226,156)**
Net balance		
Electricity	4,076,638	4,106,657
Water	5,851,529	4,993,234
Sewerage	5,501,051	2,770,737
Refuse	4,963,602	3,410,680
Auctioneer	2,842,164	918,659
Prepaid electricity vendor	1,485,294	1,485,294
Other	287,291	552,972
Other receivable	43,672	-
Contour	96,714	128,122
VAT input accrual	7,082,818	5,126,081
	32,230,773	**23,492,436**
Electricity		
Current (0 -30 days)	1,564,223	2,405,629
31 - 60 days	1,019,620	851,500
61 - 90 days	801,301	509,750
> 90 days	16,307,390	15,691,508
Less allowance for impairment	(15,615,897)	(15,351,731)
	4,076,637	**4,106,656**
Water		
Current (0 -30 days)	1,826,650	3,011,450
31 - 60 days	2,362,515	2,217,566
61 - 90 days	2,064,962	1,701,449
> 90 days	67,072,331	52,955,800
Less allowance for impairment	(67,474,929)	(54,893,031)
	5,851,529	**4,993,234**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
4. Receivables from exchange transactions (continued)		
Sewerage		
Current (0 -30 days)	3,083,229	1,711,411
31-60 days	1,523,570	1,434,182
61 - 90 days	1,485,343	1,409,214
>90 days	108,993,115	98,840,007
Less allowance for impairment	(109,584,206)	(100,624,078)
	5,501,051	**2,770,736**
Refuse		
Current (0 -30 days)	1,558,523	1,685,059
31 - 60 days	1,463,023	1,289,691
61 - 90 days	1,413,481	1,251,228
> 90 days	96,656,905	86,561,614
Less allowance for impairment	(96,128,332)	(87,376,913)
	4,963,600	**3,410,679**
Auctioneer		
Current (0 -30 days)	1,923,505	-
> 365 days	918,659	918,659
	2,842,164	**918,659**
Prepaid Electricity Vendor		
> 365 days	1,485,294	1,485,294
Contour		
Current (0 -30 days)	96,714	128,122
Other		
Current (0 -30 days)	42,029	504,297
31 - 60 days	31,485	24,586
61 - 90 days	31,025	24,172
> 90 days	1,069,840	980,323
Less allowance for impairment	(887,089)	(980,406)
	287,290	**552,972**

Consumer debtors pledged as security

None of the consumers receivables were pledged as security.

Credit quality of consumer debtors

None of the financial assets that are fully performing have been renegotiated in the last year.

Reconciliation of allowance for impairment of consumer debtors

Opening balance	(259,226,158)	(223,114,703)
Allowance for impairment	(30,464,294)	(36,111,455)
	(289,690,452)	**(259,226,158)**

Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
5. Receivables from non-exchange transactions		
Gross balances		
Property rates	288,109,898	246,576,671
Traffic fines	16,019,947	16,089,832
Staff debtor	309,717	309,717
	304,439,562	**262,976,220**
Less: Allowance for impairment		
Property rates	(235,926,711)	(228,629,279)
Traffic fines	(15,368,272)	(15,890,869)
	(251,294,983)	**(244,520,148)**
Net balance		
Property rates	52,183,187	17,947,392
Traffic fines	651,675	198,963
Staff debtor	309,717	309,717
	53,144,579	**18,456,072**
Statutory receivables included in the financial statements are as follows:		
Property rates	52,183,187	17,947,392
Traffic fines	651,675	198,963
VAT control receivable	14,785,641	9,488,959
	67,620,503	**27,635,314**
Property rates		
Current (0 -30 days)	53,485,154	7,702,123
31 - 60 days	4,729,318	5,215,684
61 - 90 days	4,818,698	4,760,993
> 90 days	225,076,726	228,897,871
Less allowance for impairment	(235,926,710)	(228,629,278)
	52,183,186	**17,947,393**
Staff debtor		
> 365 days	309,717	309,717
Traffic fines		
Current (0 -30 days)	423,193	528,753
31 - 60 days	386,138	514,977
61 - 90 days	451,365	526,133
> 90 days	14,759,251	14,519,969
Less allowance for impairment	(15,368,272)	(15,890,869)
	651,675	**198,963**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

5. Receivables from non-exchange transactions (continued)

Summary of debtors by customer classification

Residentials		
Current (0 -30 days)	4,822,616	2,764,438
31 - 60 days	2,265,444	2,386,716
61 - 90 days	2,088,236	2,275,078
> 90 days	141,928,817	129,858,920
	151,105,113	137,285,152
Less: Allowance for impairment	(141,011,509)	(132,096,794)
	10,093,604	**5,188,358**
Industrial/ commercial		
Current (0 -30 days)	47,273,251	2,144,671
31 - 60 days	2,095,835	1,345,120
61 - 90 days	2,388,951	1,262,892
> 90 days	51,893,010	54,636,175
	103,651,047	59,388,858
Less: Allowance for impairment	(66,215,749)	(53,256,212)
	37,435,298	**6,132,646**
National and provincial government		
Current (0 -30 days)	1,389,287	2,793,015
31 - 60 days	368,039	1,483,849
61 - 90 days	341,511	1,223,023
> 90 days	31,254,898	44,402,757
	33,353,735	49,902,644
Less: Allowance for impairment	(28,699,453)	(43,276,272)
	4,654,282	**6,626,372**
Total		
Current (0 -30 days)	53,485,154	7,702,123
31 - 60 days	4,729,318	5,215,684
61 - 90 days	4,818,698	4,760,993
> 90 days	225,076,726	228,897,851
	288,109,896	246,576,651
Less: Allowance for impairment	(235,926,710)	(228,629,278)
	52,183,186	**17,947,373**
Reconciliation of allowance for impairment		
Balance at beginning of the year	(244,520,147)	(232,935,637)
Contributions to allowance - Property rates	(7,297,432)	(5,064,244)
Contributions to allowance - Traffic fines	522,598	(6,520,266)
	(251,294,981)	**(244,520,147)**

Chief Albert Luthuli Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
6. Inventories		
Consumable stores	16,795,809	15,810,571
Water for distribution	430,408	380,580
	17,226,217	**16,191,151**
Reconciliation of inventory movement		
Opening balance	15,810,572	4,834,385
Purchases	23,323,434	27,175,721
Issues	(22,692,137)	(16,368,516)
Returns	411,865	286,350
Adjustments	(57,925)	(117,368)
Transfers In	2,145,502	-
Transfers out	(2,145,502)	-
	16,795,809	**15,810,572**
Recociliation of water stock movement		
Opening balance	380,580	104,263
Correction of prior period error	-	254,217
Restated opening balance	380,580	358,480
Produced	73,324,308	59,019,164
Less: Distributed	(70,226,696)	(57,066,751)
Less: Water losses	(3,047,784)	(1,930,313)
	430,408	**380,580**
7. Investments		
Designated at fair value		
Listed shares	1,174,169	1,071,543
At amortised cost		
Sanlam: Guarantee Capital Fund - Policy number 9921774X7	156,329	145,350
RMB Momentum - Account number RU 500434741	401,465	370,727
Stanlib Extra Income Fund	3,395,881	3,129,247
Stanlib Classic Investment Plan	1,001,098	907,436
	4,954,773	**4,552,760**
Total other financial assets	**6,128,942**	**5,624,303**
Non-current assets		
At amortised cost	557,794	516,077
Current assets		
Designated at fair value	1,174,169	1,071,543
At amortised cost	4,396,979	4,036,683
	5,571,148	**5,108,226**

Figures in Rand	2025	2024

7. Investments (continued)

Financial assets at fair value

Listed shares are carried at fair value:

The municipality owns 13 242 shares in Sanlam Limited which was trading at R88.67 (2024: R80.92) per share at the end of the reporting period

None of the financial assets that are fully performing have been renegotiated in the last year.

The municipality has not reclassified any financial assets from assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

Credit quality of investments
The credit quality of financial assets neither past nor impaired can be by reference to external credit ratings (If available) or to historical information about counterparty default rates.

8. Operating lease asset

Non-current portion	26,791	34,418
Current portion	7,626	4,069
	34,417	**38,487**

At the reporting date the municipality has outstanding commitments under operating leases which fall due as follows:

Operating leased as a lessor		
Within one year	149,608	55,228
In the second to the fifth year	204,837	165,685
	354,445	**220,913**

Operating lease asset represents rentals receivable by the municipality for the premises/properties rented out.

The lease was negotiated for periods ranging from 12 months to 119 months. The rentals escalate on average between 6% and 10% per annum

9. VAT control receivable

Input VAT recognised	16,054,705	10,748,438
Output VAT recognised	(1,269,064)	(1,259,480)
	14,785,641	**9,488,958**

The municipality is registered for VAT on a cash basis with SARS. Vat output is declared to SARS upon receipt of the outstanding amount from customers and VAT input is claimed from SARS once creditors balances are settled. The VAT amount shown above reflects the net amount receivable from SARS as at 30 June 2025 and 30 June 2024.

Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

10. Investment property

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	49,148,270	-	49,148,270	47,760,625	-	47,760,625

Reconciliation of investment property - 2025

	Opening balance	Disposals	Fair value adjustments	Total
Investment property	47,760,625	(2,370,000)	3,757,645	49,148,270

Reconciliation of investment property - 2024

	Opening balance	Transfers received	Fair value adjustments	Total
Investment property	41,948,000	6,376,165	(563,540)	47,760,625

Pledged as security

At year end no investment property has been pledged as secutiy.

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.

Valuations were performed by an independent valuer, Makgakga Property Valuations who are not connected to the municipality. Makgakga Property Valuations are registered with the South African Council for the Property Valuers Profession, and the South African Institute of Valuers

The valuation was based on open market value for existing use.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
10. Investment property (continued)		
Rental revenue in surplus for the year	461,845	533,109

Chief Albert Luthuli Local Municipality

(Registration number MP301)
Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

11. 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	113,951,700	-	113,951,700	114,447,700	-	114,447,700
Buildings	27,265,287	(6,770,808)	20,494,479	27,703,449	(6,226,472)	21,476,977
Community assets	147,286,274	(40,743,373)	106,542,901	140,497,317	(36,799,830)	103,697,487
Infrastructure assets	3,629,067,603	(941,711,879)	2,687,355,724	3,233,142,156	(892,070,410)	2,341,071,746
Landfill site	54,067,891	(26,980,371)	27,087,520	38,212,480	(21,730,143)	16,482,337
Furniture and fixtures	13,281,357	(8,013,720)	5,267,637	15,096,386	(8,363,316)	6,733,070
Motor vehicles	53,128,577	(21,153,075)	31,975,502	55,311,611	(22,023,728)	33,287,883
IT equipment	17,791,824	(9,352,655)	8,439,169	12,661,902	(6,987,959)	5,673,943
Machinery and equipment	23,551,477	(12,434,886)	11,116,591	20,990,106	(10,632,493)	10,357,613
Total	**4,079,391,990**	**(1,067,160,767)**	**3,012,231,223**	**3,658,063,107**	**(1,004,834,351)**	**2,653,228,756**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers received	Depreciation	Impairment loss	Total
Land	114,447,700	-	(496,000)	-	-	-	113,951,700
Buildings	21,476,977	-	(83,590)	-	(898,908)	-	20,494,479
IT equipment	5,673,943	5,585,083	(54,480)	140,962	(2,906,340)	-	8,439,169
Community assets	103,697,487	8,670,072	(50,042)	-	(4,043,545)	-	106,542,901
Infrastructure assets	2,341,071,746	403,306,333	(4,337,164)	1,418,852	(54,733,726)	(2,055,507)	2,687,355,724
Landfill site	16,482,337	12,178,033	(171,797)	-	(1,401,053)	-	27,087,520
Furniture and fixtures	6,733,070	592,565	(60,731)	356,075	(2,353,342)	-	5,267,637
Motor vehicles	33,287,883	7,255,688	(155,996)	-	(8,412,073)	-	31,975,502
Machinery and Equipment	10,357,613	3,709,342	(20,628)	-	(2,929,736)	-	11,116,591
	2,653,228,756	**441,297,116**	**(5,430,428)**	**1,915,889**	**(77,678,723)**	**(2,055,507)**	**3,012,231,223**

Notes to the Annual Financial Statements

Figures in Rand

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	114,447,700	-	-	-	-	-	-	114,447,700
Buildings	19,183,266	3,157,731	-	-	-	(864,020)	-	21,476,977
Community assets	105,828,466	1,781,471	-	-	-	(3,912,450)	-	103,697,487
Infrastructure assets	1,976,455,593	423,650,948	(3,114,483)	-	(8,484,486)	(47,122,308)	(313,518)	2,341,071,746
Landfill site	16,981,588	2,173,369	86,651	-	-	(2,759,271)	-	16,482,337
Furniture and fixtures	7,132,302	1,459,174	(6,681)	-	-	(1,835,158)	(16,567)	6,733,070
Motor vehicles	24,976,784	13,316,952	(190,999)	1,399,978	-	(6,214,832)	-	33,287,883
IT equipment	5,320,280	2,085,233	(69,392)	-	-	(1,599,841)	(62,337)	5,673,943
Machinery and Equipment	13,041,543	113,147	(96,712)	-	-	(2,659,653)	(40,712)	10,357,613
	2,283,367,522	**447,738,025**	**(3,391,616)**	**1,399,978**	**(8,484,486)**	**(66,967,533)**	**(433,134)**	**2,653,228,756**

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.

Reconciliation of Work-in-Progress 2025

	Included within Infrastructure Assets	Included within Community Assets	Included within Landfill site	Total
Opening balance	494,469,162	1,731,071	1,606,769	497,807,002
Additions/capital expenditure	389,686,226	8,670,072	6,223,967	404,580,265
Completed	(76,057,732)	-	-	(76,057,732)
	808,097,656	**10,401,143**	**7,830,736**	**826,329,535**

Notes to the Annual Financial Statements

Figures in Rand

11. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2024

	Included within infrastructure Assets	Adjustments	Included within Community Assets	Included within Landfill site	Total
Opening balance	456,417,251	-	-	783,543	457,200,794
Additions	417,768,960	(17,378,648)	1,731,071	823,226	402,944,609
Completed	(362,338,228)	-	-	-	(362,338,228)
	511,847,983	**(17,378,648)**	**1,731,071**	**1,606,769**	**497,807,175**

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		
Maintenance of equipment	22,371,462	38,411,431
Maintenance of other assets	7,255,301	9,084,711
Maintenance of buildings	3,499,994	1,490,484
	33,126,757	**48,986,626**

Included in the total depreciation expense of R77 409 288 for the financial year is an amount of R2 273 497 relating to water inventory conversion costs. This portion represents the depreciation of assets utilised in the treatment and distribution of water, which is allocated to the cost of water inventory in accordance with the requirements of GRAP 12.

Pledged as security

None of the above property, plant and equipment have been pledged as security.

Notes to the Annual Financial Statements

Figures in Rand

12. Heritage assets

	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Executive Mayor's Regalia Chain	165,000	-	165,000	165,000	-	165,000

Reconciliation of heritage assets 2025

	Opening balance	Total
Executive Mayor's Regalia Chain	165,000	165,000

Reconciliation of heritage assets 2024

	Opening balance	Revaluation increase/(decrease)	Total
Executive Mayor's Regalia Chain	555	164,445	165,000

Chief Albert Luthuli Local Municipality
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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
13. Payables from exchange transactions		
Trade payables	47,275,569	66,514,385
Other payables	297	-
Unallocated deposits	251,362	531,395
Prepaid electricity	383,062	244,934
Consumer deposits	520,410	519,814
Income received in advance	20,893,475	33,299,670
Payroll accruals - 13th Cheque	4,941,476	4,791,017
Leave	21,197,819	20,249,516
Retention	79,208,692	59,267,605
Payroll payables	2,389,564	2,662,792
VAT output accrual liability	6,082,741	2,797,804
	183,144,467	**190,878,932**
VAT Output Accrual		
VAT Output Accrual	31,488,381	36,076,564
Provision for doubtful debt impairment	(25,405,641)	(33,278,761)
	6,082,740	**2,797,803**
14. Finance lease obligation		
Minimum lease payments due		
- within one year	7,419,544	4,514,367
- in second to fifth year inclusive	7,200,224	7,583,791
	14,619,768	12,098,158
less: future finance charges	(1,364,700)	(1,386,832)
Present value of minimum lease payments	**13,255,068**	**10,711,326**
Present value of minimum lease payments due		
- within one year	6,412,744	3,689,091
- in second to fifth year inclusive	6,842,324	7,022,235
	13,255,068	**10,711,326**
Non-current liabilities	6,842,324	7,022,235
Current liabilities	6,412,744	3,689,091
	13,255,068	**10,711,326**

The average lease term is 3 years, and the discount rate used is implicit rate in the lease.

Interest rates are fixed at the contract date.

Some leases have fixed repayment terms and others escalate between 0% per annum. No arrangements have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.

15. Unspent conditional grants

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Disaster Relief Grant	-	11,964,000

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

15. Unspent conditional grants (continued)

Movement during the year

Balance at the beginning of the year	11,964,000	4,050,000
Additions during the year	472,475,952	514,846,501
Income recognition during the year	(484,439,952)	(506,932,501)
	-	**11,964,000**

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

16. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions	Total
Provision for rehabilitation	38,117,020	9,884,181	48,001,201
Performance bonuses	-	525,122	525,122
	38,117,020	**10,409,303**	**48,526,323**

Reconciliation of provisions - 2024

	Opening Balance	Additions	Reversed during the year	Total
Provision for rehabilitation	84,733,958	4,997,327	(51,614,265)	38,117,020

Non-current liabilities	48,001,201	38,117,020
Current liabilities	525,122	-
	48,526,323	**38,117,020**

Provision for rehabilitation

This report consolidates the provision of the final rehabilitation and closure costs for the landfills controlled by Chief Albert Luthuli Local Municipality for inclusion in the annual financial statements for the period ending 30 June 2025.

The following landfills are included in this consolidated report:

- Carolina (new)
- Ekulindeni
- Empuluzi
- Elukwatini
- eManzana

General Landill Closure Costing Model

ESS has developed a General Landfill Closure Costing Model (GLCCM) to estimate the final rehabilitation and closure costs for general landfills. The GLCCM is being updated in cooperation with Jones and Wagener Consulting Civil Engineers (Pty) Ltd, a company that is actively involved in rehabilitation and closure of landfill sites. The GLCCM standardises the determination of landfill closure costs between different landfills and for the same landfill over time. The GLCCM is based on the Minimum Requirements for Waste Disposal by Landfill of the Department of Water Affairs (1998), as amended by more recent regulations. The GLCCM provides a reliable best possible estimate of closure costs in terms of paragraph .49 of GRAP 19 or paragraph 36 of IAS 37.

The liability calculated using the GLCCM includes costs associated with:

- Pre-closure planning and approvals (four cost elements)
- Final rehabilitation and closure (seven cost elements)
- 30 years1 post-closure monitoring (seven costs elements)

Financial Assumptions used

Unit Costs
Unit costs for each of the cost elements are obtained annually by means of a commercial quotation. Details of this are provided separately.

CPI
The CPI2 is used for determining the future value of current costs in the year when the cost is projected to be incurred. The CPI figure used in the GLCCM is based on the three-month average CPI for the quarter that includes the financial year-end date. The average of the CPI for the last quarter amounted to 2.8878%..

Figures in Rand	2025	2024

16. Provisions (continued)

Discount Rate
GRAP 19 states that where the effect of the time value of money is material, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation. In view of the long operational life of landfills, the time value of money is considered material.

GRAP 19 prescribes that the discount rate shall be the pre-tax rate that reflects current market assessments of the time value of money, and the risks specific to the liability. Normally corporate bond rates are used to determine the discount rate. In line with GRAP 25 Defined benefit plans, government bond rates may also be used to determine the discount rate. The liability for this purpose is in most cases determined for a government entity (municipality).

Therefore, government bond rates are considered a more appropriate indicator of the risk associated with the entity than corporate bond rates to determine the discount rate. The government bond rate most consistent with the estimated term of the liability should be used. As inflation-linked RSA retail bond rates have longer terms than fixed RSA retail bond rates, inflation-linked rates are used3.

The rate most consistent with the remaining life of the landfills published at the end of the quarter that includes the financial year-end date was used.

- For landfills with an expected remaining life of three years or less, the rate associated with a maximum period of 3 years is used.
- For landfills with an expected remaining life of four of five years, the rate associated with a maximum period of 5 years is used.
- For landfills with an expected remaining life of more than five years, the rate associated with a maximum period of 10 years is used.

Key financial assumptions	For Empuluzi, Ekulindeni and eManzana landfills	For Elukwatini landfill	For Carolina (new) landfill
CPI	2.8878%	2.8878%	2.8878%
Discount rate	8.3878%	8.1378%	8.6378%
Net effective discount rate	5.5%	5.25%	5.75%

Discounting of Closure Costs

The discounted value of the liability for the closure of the landfills is shown in the table below:

Landfill closure provision	48,001,202	38,117,020
Interest charge	3,930,115	3,647,184
	51,931,317	**41,764,204**

The landfill closure provision is calculated as the net present value of future cash flows.

The interest charge is calculated as the product of the provision calculated in the previous year and the discount rate used in the previous year for each landfill.

Current and non-current discounted liability for landfill closure costs:		
Non-current liability	48,001,201	38,117,020

Disclosures

Disclosure in the Statement of Financial performance or the notes thereto		
Change in landfill closure provision	5,954,067	1,350,143
Interest charge	3,930,115	3,647,184
	9,884,182	**4,997,327**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

16. Provisions (continued)
Disclosure in the statement of financial Position or the notes thereto

Opening balance	38,117,020	33,119,693
Change in landfill closure provision	5,954,067	1,350,143
Interest charge	3,930,115	3,647,184
	48,001,202	**38,117,020**

Carolina (old) landfill

The Carolina (old) landfill site was never licensed as a landfill and it did not fall under the full rehabilitation requirements prescribed in the National Norms and Standards for landfill sites.Therefore, the this site has been removed from the landfill closure provision calculations.

17. Employee benefit obligations

Defined benefit plans - General information

Defined benefit obligation

No further employees are entitled to a post-employment medical aid subsidy

Continuation members and their eligible dependants receive a subsidy of 100%, except for two members who receive a 70% subsidy

The post-employment subsidies are not limited to a maximum Rand value/subsidy.

Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

Associated Risks

Notable benefit plan risks faced by the municipality can be summarised as follows:

Inflation
The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.

Longevity
The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.

Volatility of open-ended, long-term defined benefit obligation
The risk that the defined benefit obligation may be volatile which is exacerbated by its long-term nature.

Enforcement of eligibility criteria and rules
The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the municipality.

Future changes in legislation
The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the defined benefit obligation for the Municipality.

The amounts recognised in the statement of financial position are as follows:

Non-current liabilities	(9,573,001)	(8,699,000)
Current liabilities	(1,122,000)	(1,048,001)
	(10,695,001)	**(9,747,001)**

Notes to the Annual Financial Statements

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17. Employee benefit obligations (continued)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	9,747,000	9,364,000
Interest costs	1,000,000	986,000
Acturial loss/ (gain)	996,000	315,806
Benefits paid	(1,048,000)	(918,806)
	10,695,000	**9,747,000**

Net expense recognised in the statement of financial performance are as follows:

Interest Cost	1,000,000	986,000
Actuarial loss / (gain)	996,000	315,806
	1,996,000	**1,301,806**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

17. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9.50 %	10.83 %
CPI inflation rate	3.50 %	4.98 %
Medical aid contribution inflation rate	6.50 %	6.48 %
Net discount rate	4.10 %	4.09 %

Financial assumptions

It is difficult to predict future investment returns and 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 this valuation for the period over which the defined benefit obligation is to be settled.

Discount rate
GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment DBO. However, where there is no deep market in government bonds with sufficiently long maturity to match the estimated term of the benefit payments, current market rates of appropriate term should be used to discount shorter term payments, and the discount rate for longer maturitiesshould be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 9.5% per annum has been used. The corresponding index-linked yield at this term is 5.3%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2025.

Medical aid contribution inflation rate
This assumption is required to reflect estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs (for example, due to technological advances or changes in utilisation patterns). Any assumption regarding future medical scheme contribution increases is therefore subjective.

A medical aid contribution inflation rate of 5.3% per annum has been assumed. This is 1.8% in excess of expected consumer price index (CPI) inflation over the expected term of the DBO, namely 3.5% per annum. A larger differential would be unsustainable, eventually forcing members to less expensive options. This implies a net discount rate of 4.0% per annum which derives from ((1+9.5%)/(1+5.3%))-1.

The CPI inflation assumption of 3.5% per annum was obtained from the differential between market yields on index-linked bonds consistent with the estimated term of the DBO (5.3%) and those of fixed interest bonds (9.5%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.5%).

Demographic assumptions

Demographic assumptions are required to estimate the changing profile of retirees who are eligible for the post-employment medical aid subsidy.

Post-employment mortality
PA(90) ultimate table, adjusted down by one year of age, and a 1% annual compound mortality improvement from 2010. This means that we expect 1% fewer people to die next year. In the year thereafter, we expect 1.99% fewer people to die, i.e. 1.99% is derived from [1 - (1 - 1%)2], and so on.

Family profile
It has been assumed that female spouses will be five years younger than their male counterparts. Actual subsidised spouse dependants were used and the potential for remarriage was ignored.

Medical scheme option

It has been assumed that continuation members will remain on the same medical scheme and option.

Plan assets

17. Employee benefit obligations (continued)

Management has indicated that there are no long-term assets set aside off balance-sheet in respect of the municipality's post-employment health care defined benefit obligation.

Other assumptions

It was assumed that the Municipality's health care arrangements and subsidy policy would remain as outlined in Section 3. Furthermore, it was assumed that the level of benefits receivable, and the contributions payable in respect of such, would remain unchanged, with the exception of allowing for inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidy from in-service members to continuation members within the medical scheme are sustainable and will continue.

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17. Employee benefit obligations (continued)

Sensitivity analysis

The defined benefit obligation at this valuation was recalculated to show the effect of:

(i) a one percentage point increase and decrease in the assumed medical aid contribution inflation rate;
(ii)a one percentage point increase and decrease in the discount rate; and
(iii)a one-year age increase and decrease in the assumed rates of post-employment mortality.

Sensitivity analysis on the defined benefit obligation

2025	**One percentage point increase**	**One percentage point decrease**
Medical aid contribution inflation rate	11,485,000	9,988,000
Discount rate	10,019,000	11,460,000
Post-employment mortality	10,263,000	11,132,000

2024	**One percentage point increase**	**One percentage point decrease**
Medical aid contribution inflation rate	10,478,000	9,093,000
Discount rate	9,123,000	10,454,000
Post-employment mortality	9,365,000	10,132,000

The methods and assumptions used in preparing the sensitivity analyses and the limitations of those methods are [Provide details]

Changes from the previous period in the methods and assumptions used in preparing the sensitivity analyses, and the reasons for such changes are [Provide details]

Sensitivity analysis on interest cost

2025	**One percentage point increase**	**One percentage point decrease**
Medical aid contribution inflation rate	1,079,000	930,000
Discount rate	1,019,000	977,000
Post-employment mortality	959,000	1,042,000

2024	**One percentage point increase**	**One percentage point decrease**
Medical aid contribution inflation rate	1,066,000	914,000
Discount rate	1,000,000	968,000
Post-employment mortality	946,000	1,026,000

Notes to the Annual Financial Statements

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18. Long service award

As per government gazette an employee shall qualify for long service rewards in terms of leave days credits for the various periods of continuous service completed at the employer as follows:

- After 5 years of service - 5 working days
- After 10 years of service - 10 working days
- After 15 years of service - 20 working days
- After 20 years of service - 30 working days
- After 25 years of service - 30 working days
- After 30 years of service - 30 working days
- After 35 years of service - 30 working days
- After 40 years of service - 40 working days
- After 45 years of service - 45 working days

Long service benefits are awarded in the form of a number of leave days awarded once the employee completes a certain number of years in service.

Valuation of assets
The long service award liability of the municipality is unfunded. No dedicated assets had been set aside to meet this liability

Associated Risks

Notable benefit plan risks faced by the municipality can be summarised as follows:

Inflation
The risk that future CPI inflation and earnings inflation are higher than assumed and present in an uncontrolled manner.

Termination of service
The risk that fewer eligible employees terminate their service at the municipality i.e. more long service awards vests longer than expected.

Volatility of open-ended, long-term defined benefit obligation
The risk that the defined benefit obligation may be volatile which is exacerbated by its long-term nature.

Enforcement of eligibility criteria and rules
The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the municipality.

Future changes in legislation
The risk that changes to legislation with respect to long service awards, including tax legislation, may increase the defined benefit obligation for the municipality.

Present value	13,650,000	12,205,000
Changes in present value		
Opening balance	12,205,000	11,397,000
Current service cost	1,142,000	1,072,000
Interest cost	1,301,000	1,197,000
Benefits paid	(1,069,000)	(1,627,619)
Actuarial loss/ (gain)	71,000	166,619
	13,650,000	**12,205,000**

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18. Long service award (continued)

Net expense recognised in the statement of financial performance		
Current service cost	1,142,000	1,072,000
Interest cost	1,301,000	1,197,000
Acturial loss/ (gain)	71,000	166,619
	2,514,000	**2,435,619**

Key assumptions		
Discount rate	11 %	11 %
CPI inflation rate	5 %	5 %
General earnings inflation rate	6 %	6 %
Net discount rate	4 %	5 %
Average retirment age	62	62

Financial Assumptions

It is difficult to predict future investment returns and 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 this valuation for the period over which the defined benefit obligation is to be settled.

Discount rate
GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the defined benefit obligation However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 9.7% per annum has been used. The corresponding index-linked yield is 5.3%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 30 June 2025.

Earnings inflation rate
This assumption is required to reflect the estimated growth in earnings of the eligible employees until retirement. It is important in that the long service award are based on an employee's earnings at the date of the award.

The assumption is traditionally split into two components, namely general earnings inflation and promotional earnings escalation. The latter is considered under demographic assumptions.

General earnings inflation rate
This assumption is more stable relative to the growth in consumer price index (CPI) than in absolute terms. In most industries, experience has shown that over the long term, earnings inflation is between 1.0% and 1.5% above CPI inflation.

The CPI inflation assumption of 3.8% per annum was obtained from the differential between market yields on index-linked bonds (5.3%) consistent with the estimated term of the DBO and those of nominal bonds (9.7%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.5%).

Thus, a general earnings inflation rate of 4.8% per annum over the expected term of the DBO has been assumed, which is 1.0% higher than the estimate of CPI inflation over the same term. This assumption reflects a net discount rate of 4.7%.

Demographic Assumptions

Demographic assumptions are required about the future characteristics of current employees who are eligible for long service award.

Figures in Rand	2025	2024

18. Long service award (continued)

Promotional earnnings scale
The annual escalation rates below are in addition to the general earnings inflation assumption of 4.8% per annum for all employees.

Age band	Additional promotional scale
20-24	5.0%
25-29	4.0%
30-34	3.0%
35-39	2.0%
40-44	1.0%
45+	0.0%

Average retirement age
The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

Termination of service
If an eligible employee leaves due to resignation or retrenchment, the employer's DBO in respect of that employee ceases. It is therefore important not to overstate termination rates. The assumed annual rates are set out below.

Age	Rate
20-24	9%
25-29	8%
20-24	6%
35-39	5%
40-44	5%
45-49	4%
50-54	3%
55+	0%

Plan Assets
Management has indicated that there are currently no long-term assets set aside off-balance sheet in respect of the long service award defined benefit obligation.

Long Service Award Arrangement Assumptions
It was assumed that the employer's long service award arrangements would remain as outlined in Section 3, and that the level of benefits in respect of such, would remain unchanged, with the exception of allowing for inflationary adjustments.

Sensitivtiy analysis on the defined benefit obligation	One percentage point increase	One percentage point decrease
General earnings inflation rate	14,403,000	12,960,000
Discount rate	12,950,000	14,426,000
Average retirement age	14,858,000	12,333,000
Rates of termination of service	11,183,000	15,267,000

Sensitivity analysis on current service cost	One perecentage point increase	One percentage point decrease
General earnings inflation rate	1,223,000	1,069,000
Discount rate	1,078,000	1,213,000
Average retirement age	1,227,000	1,054,000
Rates of terminations	858,000	1,342,000

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18. Long service award (continued)

Sensitivity analysis on interest cost

	One percentage point increase	One percentage point decrease
General earnings inflation rate	1,381,000	1,227,000
Discount rate	1,337,000	1,259,000
Average retirement age	1,431,000	1,169,000
Rates of termination service	1,032,000	1,479,000
Current portion	1,777,000	1,069,000
Non-current portion	11,873,000	11,136,000
	13,650,000	**12,205,000**

19. Service charges

Sale of electricity	47,421,617	42,640,694
Sale of water	15,468,517	17,500,927
Solid waste	12,108,761	12,495,298
Refuse removal	11,331,023	9,622,743
	86,329,918	**82,259,662**

20. Construction contracts

Integrated National Electrification Programme		
Current year receipts	6,610,000	-
Recognition of revenue based on expenditure incurred	(5,747,826)	-
VAT	(862,174)	-
	-	-

INEP Grant – Unlicensed Areas

The municipality receives funding from the Department of Mineral Resources and Energy (DMRE) under the Integrated National Electrification Programme (INEP) Grant. The purpose of the grant is to fund the electrification of households and bulk infrastructure in line with government's mandate to provide universal access to electricity.

The municipality is implementing the electrification of households' projects in unlicensed areas, therefore in accordance to the latest mSCOA Circular 16 (15 October 2024) projects implemented in unlicensed areas, the municipality does not retain control of the assets constructed, as these vest with the licensed electricity distributor.

Therefore, the related expenditure is recognised as contracted services expenditure when incurred, and the corresponding INEP allocation is recognised as revenue from exchange transactions once grant conditions are met. As a result, revenue is increased in the Statement of Financial Performance, with no Property, Plant and Equipment recognised on the Statement of Financial Position.

21. Interest received- consumers

Interest received from exchange transactions- consumers	20,772,532	14,395,937
Interest received from non-exchange transactions- consumers	20,280,279	16,609,236
	41,052,811	**31,005,173**

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22. Other income		
Building plans	864,666	659,817
Burial service fees	216,107	229,043
Clearance certificates	61,899	66,962
Connection fees	95,410	9,600
Fire brigade fees	480,868	357,799
Proof of residence	811,078	727,202
Sale of stands	18,235	93,652
Tender deposits	52,250	161,338
Administration and handling fees	466,626	1,074,637
Advertising	4,465	2,582
Valuation certificates	68	764
Cleaning and removal	112,585	68,486
Insurance claim	-	1,253,350
Proceeds from auction	1,923,505	1,259,442
Cleanest town award	-	25,000
Discounts	-	750
	5,107,762	**5,990,424**
23. Fair value adjustments		
Investment property (Fair value model)	3,757,645	(563,540)
• Investments	113,604	177,774
	3,871,249	**(385,766)**
24. Property rates		
Rates received		
Residential	30,500,577	13,832,044
Commercial	82,997,554	19,113,342
State	19,977,407	35,245,241
	133,475,538	**68,190,627**
Valuations		
Residential	2,491,780,100	2,457,415,700
Commercial	1,479,895,500	898,347,600
State	61,585,600	940,581,900
Municipal	409,972,700	556,951,100
Small holdings and farms	7,051,077,751	4,886,288,993
Other	940,988,972	147,073,300
	12,435,300,623	**9,886,658,593**

Valuations on land and buildings are performed every four years. The last general valuation came into effect on 1 July 2024. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

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25. Government grants & subsidies

Operating grants		
Equitable Share	443,317,000	418,105,000
Financial Management Grant	2,000,000	2,000,000
Expanded Public Works Programme	2,580,000	2,103,000
Local Government Sector Education and Training Authority Grant	434,952	454,501
Disaster Relief	23,826,000	7,886,000
	472,157,952	**430,548,501**
Capital grants		
Regional Bulk Infrastructure Grant	255,173,000	282,793,000
Municipal Infrastructure Grant	110,425,999	97,257,000
Water Services Infrastructure Grant	90,000,000	104,937,000
Integrated National Electrification Programme	-	9,460,000
	455,598,999	**494,447,000**
	927,756,951	**924,995,501**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Financial Management Grant

Current-year receipts	2,000,000	2,000,000
Conditions met - transferred to revenue	(2,000,000)	(2,000,000)
	-	-

The grant was intended to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

Local Government Sector Education and Training Authority Grant

Current-year receipts	434,952	454,501
Conditions met - transferred to revenue	(434,952)	(454,501)
	-	-

The grant is intended for sending staff of the municipality for training by corporate services.

Expanded Public Works Programme

Current-year receipts	2,580,000	2,103,000
Conditions met - transferred to revenue	(2,580,000)	(2,103,000)
	-	-

The Expanded Public Works Programme is one of government's key programmes aimed at providing poverty and income relief through temporary work for the unemployed. The EPWP integrated grant for municipalities is intended to act as a supplementary source of funding for labour-intensive projects.

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25. Government grants & subsidies (continued)

Water Services Infrastructure Grant

Current-year receipts	90,000,000	104,937,000
Conditions met - transferred to revenue	(90,000,000)	(104,937,000)
	-	-

The grant was intended to fund bulk, connector and internal infrastructure of water services at a basic service level of service

Municipal Infrastructure Grant

Current-year receipts	110,425,999	97,257,000
Conditions met -transferred to revenue	(110,425,999)	(97,257,000)
	-	-

The grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

Integrated National Electrification Programme

Current-year receipts	-	9,460,000
Conditions met - transferred to revenue	-	(9,460,000)
	-	-

The grant is intended to fund energy efficient lighting technologies in municipal buildings, streets and traffic lighting infrastructure.

Regional Bulk Infrastructure Grants

Current-year receipts	255,173,000	282,793,000
Conditions met - transferred to revenue	(255,173,000)	(282,793,000)
	-	-

The grant is intended for fund bulk, connector and internal infrastructure of water services at a basic level of service .

Disaster Relief Grant

Balance unspent at beginning of year	11,964,000	4,050,000
Current-year receipts	11,862,000	15,800,000
Conditions met - transferred to revenue	(23,826,000)	(7,886,000)
	-	**11,964,000**

Conditions still to be met - remain liabilities (see note 15).

The grant is intended to augment the resources of the municipality with regard to certain projects as per the request of the municipality supported by the Provincial Disaster Management Centre.

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26. Donations		
Carolina Water Treatment Plant Furniture Assets	359,393	-
Farm Boreholes	1,418,852	-
Ekulindeni Public Library Assets	137,644	-
Silobela Market Stalls	-	2,744,999
Creative Minds Day and After Care Centre	-	3,631,166
ISUZU Fire Truck	-	1,399,978
	1,915,889	**7,776,143**

Carolina water treatment plant furniture assets donated by Jacques Gininda Construction.

Farm boreholes- Water Infrastructure donated by Northern Coal.

Ekulindeni Public Library furniture and computer equipment assets donated by the Mpumalanga Department of Culture, Sport and Recreation.

Creative Minds Day and After Care Centre- Investment property donated by Northern Coal.

Silobela Market Stalls- Investment property donated by Northern Coal.

Isuzu Fire Truck- Property, plant and equipment donated by The Department of Co-operative Governance and Traditional Affairs.

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27. Employee related costs		
Basic	146,492,362	141,851,318
Bonus	12,176,668	11,599,420
Medical aid - company contributions	14,731,137	13,724,467
UIF	1,008,001	1,009,721
Bargaining council	66,587	64,139
SDL	2,032,242	1,966,458
Pension fund	27,824,277	27,014,220
Interest cost on actuarial valuations	1,000,000	986,000
Provident fund	1,830,604	1,697,387
Travel, motor car, accommodation, subsistence and other allowances	19,063,356	15,606,696
Overtime payments	14,576,858	13,738,473
Long-service awards	910,767	1,627,619
Acting allowances	3,110,677	3,121,088
Housing benefits and allowances	1,527,427	1,484,465
Telephone allowances	827,286	840,680
Standby allowances	11,385,909	10,341,198
Long sevice award-service cost	1,374,000	641,381
Actuarial loss/(gain)	1,067,000	482,425
Employee benefits- leave provisions	2,655,081	1,769,103
	263,660,239	**249,566,258**
Remuneration of Municipal Manager: Thabethe M.E		
Annual remuneration	1,034,277	1,028,424
Car allowance	180,000	180,000
Performance bonuses	132,522	149,462
Contributions to UIF, SDL, medical and pension funds	189,085	180,890
Cellphone allowance	24,000	24,000
Rural allowance	54,702	49,191
	1,614,586	**1,611,967**
Remuneration of Chief Finance Officer: Sekgobela M.M		
Annual remuneration	750,246	730,240
Car allowance	180,000	180,000
Performance bonuses	96,462	83,005
Contributions to UIF, SDL, medical and pension funds	215,498	211,903
Cellphone allowance	12,000	12,000
Rural allowance	44,449	43,266
Reimsbursement of S&T	14,013	-
	1,312,668	**1,260,414**
Remuneration of Director Corporate Services: Sibeko S.S		
Annual remuneration	745,245	764,251
Car allowance	186,000	186,000
Performance bonuses	64,308	142,786
Contributions to UIF, SDL, medical and pension funds	214,448	208,723
Cellphone allowance	12,000	12,000
Rural allowance	44,345	43,606
Acting allowance	5,068	-
Re-imbursement of S&T	113,197	24,939
	1,384,611	**1,382,305**

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27. Employee related costs (continued)

Remuneration of Director Community Services and Public Safety: Malaza S.I

Annual remuneration	910,701	904,089
Car allowance	96,000	96,000
Performance bonuses	132,474	114,131
Contributions to UIF,SDL, medical and pension funds	166,116	159,908
Cellphone allowance	12,000	12,000
Rural allowance	45,569	43,889
Acting allowance	17,701	5,141
Re-imbursement of S&T	109,236	17,842
	1,489,797	**1,353,000**

Remuneration of Director Technical Services: Magubane M.P Backpayment (Contract ended on 31 May 2024)

Annual remuneration	35,267	750,204
Car allowance	-	165,000
Performance bonuses	-	197,136
Contributions to UIF,SDL, medical and pension funds	2,063	187,856
Cellphone allowance	-	11,000
Rural allowance	14,111	32,226
Leave Paid Out	-	205,196
	51,441	**1,548,618**

Remuneration of Acting Director Technical Services: Thela B.P

Acting allowance	43,263	27,600

Remuneration of Director Planning and Economic Development : Motloung L

Annual remuneration	673,774	670,843
Car allowance	180,000	180,000
Performance bonuses	99,356	103,542
Contributions to UIF, SDL, medical and pension funds	201,107	189,946
Cellphone allowance	12,000	12,000
Housing allowance	120,000	120,000
Rural allowance	45,569	43,889
Acting allowance	9,736	-
Re-imbursement of S&T	83,103	27,510
	1,424,645	**1,347,730**

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27. Employee related costs (continued)

Remuneration of Former Municipal Manager: Dlamini M.S - Backpayment (Contract ended April 2022)

Annual remuneration	-	16,950
Performance bonus	-	126,669
Contributions to UIF, SDL, medical and pension funds	-	1,783
	-	**145,402**

Remuneration of Former Chief Finance Officer: Mnisi M.G.T - Backpayment (Resigned August 2022)

Annual remuneration	-	32,787
Performance Bonuses	-	115,047
Contributions to UIF, SDL, medical and pension funds	-	1,928
Rural allowance	-	227
	-	**149,989**

Remuneration of Former Director Community Services and Public Safety: Shabangu J.W - Backpayment (Contract ended March 2022)

Annual remuneration	-	15,255
Performance bonuses	-	134,883
Contributions to UIF, SDL, medical and pension funds	-	1,501
	-	**151,639**

Remuneration of Former Director Planning and Economic Development: Lukhele T.A. - Backpayment (Contract ended March 2022)

Annual remuneration	-	3,390
Contributions to UIF,SDL, medical and pension funds	-	68
	-	**3,458**

28. Remuneration of councillors

Executive Major	1,003,059	976,267
Speaker	833,959	848,891
Chief whip	879,681	823,724
Mayoral Committee Members	5,186,553	4,874,139
Councillors	16,346,226	15,878,557
	24,249,478	**23,401,578**

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28. Remuneration of councillors (continued)

In-kind benefits

The Executive Mayor is provided with a vehicle, driver, aid, secretary and chief of staff at the cost of the council.

The Chief Whip is provided with a personal assistant.

The Speaker is provided with a vehicle, secretarial support, personal assistant and a manager.

Members of municipal council should be remunerated within the upper limits as determined by the Department of Cooperative Governance, Human Settlement and Traditional Affairs. Any deviations are disclosed as irregular expenditure.

Remuneration of Councillors:
The remuneration of the political office bearers and councillors are within the upper limits as determined by the framework envisaged section 219 of the Constitution.

2025	Basic Salary	Subsistence & Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Executive Mayor	-	-	-	-	-	-
Magubane M.P.	750,629	4,350	45,301	194,692	8,087	1,003,059
	750,629	**4,350**	**45,301**	**194,692**	**8,087**	**1,003,059**

2025	Basic Salary	Subsistence & Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Speaker	-	-	-	-	-	-
Gininda S.V.	449,758	194,338	47,004	136,018	6,842	833,960
	449,758	**194,338**	**47,004**	**136,018**	**6,842**	**833,960**

2025	Basic Salary	Subsistence & Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Chief Whip	-	-	-	-	-	-
Sidu L.L	436,074	276,476	47,004	113,710	6,417	879,681
	436,074	**276,476**	**47,004**	**113,710**	**6,417**	**879,681**

2025	Basic Salary	Subsistence & Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Mayoral Committee	-	-	-	-	-	-
Motaung R.M.	521,300	215,898	47,004	77,631	6,356	868,189
Nkosi S.P.	463,605	228,769	47,004	68,977	6,133	814,488
Zulu G.G.	460,933	235,162	47,004	74,720	6,169	823,988
Dube S.N.	463,605	351,087	47,004	68,977	6,133	936,806
Mathebula J	463,605	285,416	47,004	68,977	6,133	871,135
Dlamini E.S.	586,751	103,208	47,004	128,707	6,278	871,948
	2,959,799	**1,419,540**	**282,024**	**487,989**	**37,202**	**5,186,554**

2025	Basic Salary	Subsistence & Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
MPAC Chairperson	-	-	-	-	-	-
Thomo N.G.	401,303	226,426	47,004	100,692	5,873	781,298
	401,303	**226,426**	**47,004**	**100,692**	**5,873**	**781,298**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

28. Remuneration of councillors (continued)

2025	Basic Salary	Subsistence & Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
S79 Chairpersons	-	-	-	-	-	-
Thomo G.P.	257,632	127,734	47,004	38,340	3,606	474,316
Jele D	191,954	169,590	47,004	108,870	3,802	521,220
Lulane S.K.	281,377	3,020	47,004	41,890	3,036	376,327
Nkumane M.J.	343,511	24,370	47,004	51,119	3,612	469,616
Khumalo S.P.	343,511	24,853	47,004	51,119	3,612	470,099
Nkosi P.Z.	211,033	111,538	47,004	31,417	3,023	404,015
Hlatshwayo P.T.	285,757	116,417	47,004	42,558	3,607	495,343
	1,914,775	**577,522**	**329,028**	**365,313**	**24,298**	**3,210,936**

2025	Basic Salary	Subsistence & Travel Allowance	Cellphone Allowance	Pension & Medical Aid	SDL	Total
Councillors	-	-	-	-	-	-
Sikhakhane N.B.	200,746	146,939	47,004	29,874	2,905	427,468
Van der Walt L	165,163	95,086	47,004	68,164	3,012	378,429
Matshaba K.A.	180,544	120,289	47,004	50,991	2,960	401,788
Zwane F.C.	168,691	113,290	47,004	66,322	3,021	398,328
Hadebe J.C.H	154,105	75,662	35,965	22,354	2,230	290,316
Mbuli T.G.	200,746	135,801	47,004	29,874	2,905	416,330
Masuku B.M.	252,975	111,512	47,004	37,641	3,540	452,672
Mbokane P.S.	200,746	165,842	47,004	29,874	2,905	446,371
Gininda O	267,661	27,631	47,004	39,833	2,909	385,038
Shiba X.S.G.	267,661	-	47,004	39,833	2,909	357,407
Nkambule K.V.	267,661	11,866	47,004	39,833	2,909	369,273
Maisela S.J.	267,661	6,070	47,004	39,833	2,909	363,477
Adams P.P.	200,746	88,015	47,004	29,874	2,905	368,544
Makene J	337,300	8,520	47,004	50,188	3,554	446,566
Mabuza V.B.	250,950	88,855	47,004	37,326	2,909	427,044
Nkosi A.J.	267,661	4,650	47,004	39,833	2,909	362,057
Mauku B.M.	200,746	96,826	47,004	29,874	2,905	377,355
Manana B.L.	200,746	115,129	47,004	29,874	2,905	395,658
Phakathi F.D.M.	267,661	7,635	47,004	39,833	2,909	365,042
Methula Z.C.	200,746	105,279	47,004	29,874	2,905	385,808
Nkosi N.P.	200,746	98,219	47,004	29,874	2,905	378,748
Mncina L.M.	267,661	15,057	47,004	39,833	2,909	372,464
Thwala S.J.	267,661	-	47,004	39,833	2,909	357,407
Sithole B.I	200,746	102,016	47,004	29,874	2,905	382,545
Hlophe M.P.	200,746	120,313	47,004	29,874	2,905	400,842
Nkambule T	200,746	83,760	47,004	29,874	2,905	364,289
Nkosi L.N.P.	267,661	25,382	47,004	39,833	2,909	382,789
Hlatshwayo C.S.	200,746	92,349	47,004	29,874	2,905	372,878
Mbatha M.E.	200,746	114,016	47,004	29,874	2,905	394,545
Thambekwayo M.T.	200,746	99,689	47,004	29,874	2,905	380,218
Dlamini N	267,661	5,620	47,004	39,833	2,909	363,027
Mnisi T.J.	267,661	1,465	47,004	39,833	2,909	358,872
Nkosi E.N (Appointed June 2025)	22,282	600	3,917	3,342	242	30,383
	7,286,725	**2,283,383**	**1,497,006**	**1,192,727**	**94,137**	**12,353,978**

2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension & Medical	SDL	Total
Executive Mayor	-	-	-	-	-	-

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28. Remuneration of councillors (continued)						
Nkosi D.P	809,832	300	45,379	113,121	7,635	976,267
	809,832	**300**	**45,379**	**113,121**	**7,635**	**976,267**

2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension & Medical	SDL	Total
Speaker	-	-	-	-	-	-
Gininda S.V	465,182	198,126	48,708	130,033	6,841	848,890
	465,182	**198,126**	**48,708**	**130,033**	**6,841**	**848,890**

2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension and Medical	SDL	Total
Chief Whip	-	-	-	-	-	-
Sidu L.L	447,923	211,614	48,708	109,078	6,401	823,724
	447,923	**211,614**	**48,708**	**109,078**	**6,401**	**823,724**

2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension and Medical	SDL	Total
Mayoral Commitee Members	-	-	-	-	-	-
Thomo N.G	451,960	213,739	48,708	101,079	6,314	821,800
Nkosi S.P	480,415	194,926	48,708	68,416	6,195	798,660
Zulu G.G	457,222	197,350	48,708	95,816	6,300	805,396
Dube S.N	480,415	228,685	48,708	68,416	6,195	832,419
Mathebula J.	480,415	211,459	48,708	68,416	6,230	815,228
Dlamini E.S	607,335	14,904	48,708	123,442	6,246	800,635
	2,957,762	**1,061,063**	**292,248**	**525,585**	**37,480**	**4,874,138**

2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension and Medical	SDL	Total
MPAC Chairperson	-	-	-	-	-	-
Motaung R.M	631,266	-	48,708	89,915	6,089	775,978
	631,266	**-**	**48,708**	**89,915**	**6,089**	**775,978**

2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension and Medical	SDL	Total
S.79 Chairpersons	-	-	-	-	-	-
Thomo G.P	264,123	104,897	48,708	37,620	3,628	458,976
Jele D	207,397	110,994	48,708	102,135	3,793	473,027
Lulane S.K	352,163	150	48,708	50,161	3,607	454,789
Nkumane M.J	352,163	7,134	48,708	50,161	3,607	461,773
Khumalo S.P	352,163	3,265	48,708	50,161	3,607	457,904
Nkosi P.Z	264,123	109,060	48,708	37,620	3,628	463,139
Hlatshwayo P.T	352,163	4,107	48,708	50,161	3,607	458,746
	2,144,295	**339,607**	**340,956**	**378,019**	**25,477**	**3,228,354**

2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension and Medical	SDL	Total
Councillors	-	-	-	-	-	-

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28. Remuneration of councillors (continued)						
Sikhakhane NB	208,810	91,200	48,708	29,315	2,962	380,995
L. Van Der Walt	170,614	86,454	48,708	60,491	2,984	369,251
Matshaba KA	186,197	86,175	48,708	48,928	2,984	372,992
Zwane FC	174,683	82,139	48,708	60,440	3,015	368,985
Hadebe JCH	205,810	86,982	48,708	29,315	2,932	373,747
Mbuli TG	205,810	84,310	48,708	29,315	2,932	371,075
Nkosi DS	166,048	-	29,310	22,650	1,746	219,754
Masuku BM	205,810	81,807	48,708	29,315	2,932	368,572
Mbokane PS	225,105	76,379	48,708	31,690	2,930	384,812
Gininda O	274,414	4,759	48,708	39,086	2,915	369,882
Shiba XSG	274,414	-	48,708	39,086	2,915	365,123
Nkambule KV	274,414	7,591	48,708	39,086	2,915	372,714
Maisela SJ	274,414	850	48,708	39,086	2,915	365,973
Adams PP	205,810	88,542	48,708	29,315	2,932	375,307
Makene J	274,414	3,184	48,708	39,086	2,915	368,307
Mabuza VB	274,414	18,408	48,708	39,086	2,915	383,531
Nkosi AJ	274,414	850	48,708	39,086	2,915	365,973
Mauku BM	205,810	78,964	48,708	29,315	2,932	365,729
Manana BL	205,810	92,029	48,708	29,315	2,932	378,794
Phakathi FDM	274,414	4,381	48,708	39,086	2,915	369,504
Methula ZC	205,810	89,695	48,708	29,315	2,932	376,460
Nkosi NP	205,810	86,808	48,708	29,315	2,932	373,573
Mncina LM	274,414	4,180	48,708	39,086	2,915	369,303
Thwala SJ	274,414	-	48,708	39,086	2,915	365,123
Sithole BI	205,810	84,993	48,708	29,315	2,932	371,758
Hlophe MP	205,810	84,937	48,708	29,315	2,932	371,702
Nkambule T	205,810	79,938	48,708	29,315	2,932	366,703
Nkosi LNP	274,414	6,240	48,708	39,086	2,915	371,363
Hlatshwayo CS	205,810	81,571	48,708	29,315	2,932	368,336
Mbatha ME	205,810	88,245	48,708	29,315	2,932	375,010
Thambekwayo MT	211,089	76,478	48,708	30,106	2,929	369,310
Dlamini N	274,414	700	48,708	39,086	2,915	365,823
Mnisi TJ	103,314	350	18,466	15,497	1,118	138,745
	7,414,358	**1,659,139**	**1,557,724**	**1,149,244**	**93,764**	**11,874,229**

29. Finance costs

Rehabilitation of landfill sites	3,930,114	3,647,184
Interests on overdue accounts	23,128	45,415
Finance leases	1,330,059	346,038
	5,283,301	**4,038,637**

30. Irrecoverable debt

Traffic fines	5,280,900	-

The Council has approved the write-off of traffic fines totalling R3 490 500 from the 2021/2022 financial year and R1 790 400 from the 2022/2023 financial year, following a determination that these amounts are irrecoverable.

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31. Bulk purchases

Electricity - Eskom	136,596,242	117,294,553

Distribution losses

Electricity	40.57%	37.70%
Water	50.85%	19.06%

Electricity losses	**Units 2025**	**Units 2024**	**R**	**R**
Units purchased	38,188,134	36,072,016	84,257,476	79,330,507
Units sold	(18,619,630)	(20,617,856)	(51,584,540)	(52,784,483)
	19,568,504	**15,454,160**	**32,672,936**	**26,546,024**

Electricity distribution losses have been assessed across the three licensed supply areas; Silobela, Carolina, and Manzana based on the volume of units purchased from Eskom and the units sold through both prepaid and conventional billing systems

Reasons for losses
• Aging infrastructure
•Illegal connections

Actions taken
•The municipality has upgraded electricity meters from conventional to prepaid meters for residential customers
•Implementing regular electricity meter audits
•Replacement of 6.6kv mini subs to 6.6/11kv mini subs

Water losses	**Units 2025**	**Units 2024**
Units pumped	11,087,650	11,158,050
Units sold	(5,449,470)	(9,031,633)
	5,638,180	**2,126,417**

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32. Contracted services		
Outsourced Services		
Burial Services	18,500	6,500
Business and Advisory	399,417	874,857
Catering Services	1,763,762	924,948
Meter Management	748,000	259,638
Medical Services	358,996	227,931
Valuer	2,904,252	2,867,616
Water Quality Testing	1,077,718	4,612,914
Qualification Verification	6,548	35,147
Security Services	28,799,535	28,178,374
Consultants and Professional Services		
Business and Advisory	10,801,607	12,837,207
Infrastructure and Planning	4,636,120	7,024,082
Information and Communication Technology	2,830,421	4,592,289
Legal Cost	7,897,436	9,742,037
Audit Committee	345,486	345,268
Contractors		
Bore Waterhole Drilling	-	1,529,360
Electrification of Households	5,962,362	8,484,486
Events	7,541,668	4,046,833
Fire Protection	-	29,135
Repairs and Maintenance	33,126,758	48,986,626
Removal of Hazardous Waste	3,452,312	1,838,547
	112,670,898	**137,443,795**
33. Operational Cost		
Advertising	2,456,537	1,872,955
Auditors remuneration	7,327,923	6,992,043
Bank charges	593,228	563,505
Commission paid	638,700	2,408,666
Consumables	49,472,265	38,394,447
Entertainment	-	141,057
Hire charges	10,276,167	1,048,050
Indigent relief	5,509,558	7,023,430
Insurance	2,447,820	2,249,542
Motor vehicle expenses	10,308,132	14,746,981
Printing and stationery	4,175,639	3,541,302
Protective clothing	7,228,584	6,749,842
Settlement discounts	5,438,424	3,053,170
Software expenses	5,459,803	1,178,650
Subscriptions and membership fees	3,146,916	2,855,984
Telephone and internet	3,580,006	3,996,089
Transport	603,472	754,564
Training	2,549,914	1,566,978
Travel	3,091,227	5,123,877
EPWP Expenditure	2,596,950	3,449,609
Assets less than capitalisation threshold	321,605	1,613,267
Committee costs	4,422,000	3,562,500
Workmen's Compensation Fund	1,949,996	1,155,347
Rental expense	1,847,714	5,921,479
Other expenses	130,968	-
	135,573,548	**119,963,334**

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34. Financial loss

Financial loss	-	(266,336)

During the 2023/2024 financial year, the municipality initially recorded an amount of R266 336 as a financial loss resulting from invoices submitted for work performed using fraudulent bank account details. Following a review and clarification of the nature of the transaction, the disclosure was corrected to reflect the amount as fruitless expenditure since no value was derived by the municipality from such transactions.

35. Cash generated from operations

Surplus	413,012,616	363,315,400
Adjustments for:		
Depreciation and amortisation	77,678,723	66,967,533
Loss on disposal of property, plant and equipment	6,846,605	3,478,255
Fair value adjustments	(3,871,249)	385,766
Finance costs	1,330,059	346,038
Movement in provisions	10,409,303	6,727,932
Donations	(1,915,889)	(7,776,143)
Impairment loss	2,055,507	433,146
Debt impairment	37,239,124	47,808,858
Bad debts written off	5,280,900	-
Operational cost :Indigent relief	5,509,558	7,023,430
Movements in employee benefit assets and liabilities	948,000	383,000
Long service award movement	1,445,000	808,000
Operational cost: Settlement discounts	5,438,424	3,053,170
Financial loss	-	266,336
Changes in working capital:		
Inventories	(1,035,066)	(11,523,388)
VAT	(5,296,682)	11,771,506
Receivables from exchange transactions	(37,245,892)	(41,432,933)
Receivables from non-exchange transactions	(41,463,342)	200,124
Operating lease asset	4,070	14,520
Payables from exchange transactions	(29,570,257)	4,026,866
Retentions	(19,941,087)	(5,236,863)
Social responsibility	(7,854,961)	(6,727,932)
	419,003,464	**444,312,621**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

36. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Infrastructure	414,621,061	450,598,433

Authorised operational expenditure

Already contracted for but not provided for		
• Operational	80,550,209	105,916,879

Total commitments

Total commitments		
Authorised capital expenditure	414,621,061	450,598,433
Authorised operational expenditure	80,550,209	105,916,879
	495,171,270	**556,515,312**

Prior year disclosure:
In the 2023/2024 financial year, management omitted to disclose the operational commitments disclosure and there was an arithmetic error in the infrastructure commitments register which led to an understatement of the reported amount.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

37. Contingencies

Litigations in the process against the municipality relating to civil claims includethe following:

Sifiso Thela	232,384	232,384
Minister of Water and Sanitation	-	4,500,000
303 Security Services & Cleaning Services (PTY) LTD	78,984,550	78,984,550
303 Security Services & Cleaning Services (PTY) LTD	7,388,438	7,388,438
Tlou Consulting	812,949	812,949
	87,418,321	**91,918,321**

The figures disclosed above are actual amounts as per the court summons and not the best estimate as the municipality has never had any similar cases to the ones disclosed in this note.

The conitngent liabilities disclosed excludes interest amounts as these are subject to judicial discretion and vary depending on the outcome and timing of the matter. The municipality will account for interest, if applicable, upon final judgement.

Sifiso Thela
Plaintiff is suing council in respect of damages suffered as a results of a motor vehicle accident that occurred between his car and that of the council.The potential liability is estimated at R232, 384.00.

Minister of Water and Sanitation
The registrar decided to file the matter permanently because the applicant failed to process the matter on time, even after the registrar of the High Court advised them to proceed with the matter.

If the applicant wants to reinstate the matter, they should convince the registrar/judge why the matter should be reinstated because it has been on the roll for the past 7 years without any justification as to why it should proceed.

303 Security Services & Cleaning Services (PTY) LTD
The plaintiff is suing the council for R78 984 549.65 for failure by the municipality to honour its obligation to pay the plaintiff at the PSIRA rate and, the refusal by the municipality to link the annual escalation percentage to the inflation rate plus 2% interest on the aforesaid amount at the prescribed rate of interest from date of summons until date of full payment. The matter is before the High Court of South Africa Mpumalanga Division.

303 Security Services & Cleaning Services (PTY) LTD
The plaintiff in this matter is suing the municipality for an amount of R7 388 438.48 for an extended employment contract of 74 security guards.

Tlou Consulting (PTY) LTD
The plaintiff in this matter is suing the municipality for an amount of R812 984.50 for work done under tender number ALMP12/2021.

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38. Related parties

Relationships	
Accounting Officer	Refer to accounting officers' report note 27
Section 57 Senior Managers	Refer to accounting officers' report note 27
Executive Mayor	Refer to accounting officers' report note 28
Speaker	Refer to accounting officers' report note 28
Chief Whip	Refer to accounting officers' report note 28
Mayoral Committee Members	Refer to accounting officers' report note 28
Councillors	Refer to accounting officers' report note 28&45

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

39. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Liquidity risk

Liquidity risk is the risk that the municipality may experience difficulty in meeting its financial obligations as they become due. The municipality's objective is to maintain sufficient liquidity to ensure that financial commitments are settled timeously and without adversely affecting service-delivery operations.Liquidity risk is the risk that the municipality may experience difficulty in meeting its financial obligations as they become due. The municipality's objective is to maintain sufficient liquidity to ensure that financial commitments are settled timeously and without adversely affecting service-delivery operations.

Liquidity is managed through continuous monitoring of the creditor-ageing profile, budget-versus-actual cash performance, strict compliance with the MFMA (including sections 65 and 70) and regular cash-flow reviews. Payments are prioritised based on available cash resources and service-delivery requirements. In addition, monthly cash-flow performance reports are submitted to management and the Finance Portfolio Committee, enabling early identification of potential shortfalls and the implementation of appropriate corrective actions.

During the current financial year, the municipality improved its revenue collection levels due to strengthened credit-control enforcement. While no changes were made to the liquidity-risk management policies, the cash-flow forecasting model was enhanced to incorporate seasonal fluctuations in revenue inflows.

The table below presents an analysis of the municipality's financial liabilities by maturity grouping, based on the remaining contractual period to settlement from the reporting date. The disclosed amounts represent contractual, undiscounted cash flows. For liabilities due within 12 months, the carrying amounts approximate the contractual cash flows.

At 30 June 2025	Carrying amount	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	148,149,805	-	-	-
Unspent conditional grants	-	-	-	-
Finance lease obligation	6,412,744	6,842,324	-	-

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	160,132,869	-	-	-
Unspent conditional grants	11,964,000	-	-	-
Finance lease obligation	3,689,091	7,022,235	-	-

There were no changes from the previous year in respect of objectives, policies and processes for managing risks and the methods used to measure the risks.

Figures in Rand	2025	2024

39. Risk management (continued)

Credit risk

Credit risk is the risk that the municipality may incur financial loss should a counterparty fail to fulfil its contractual obligations. The municipality's objective is to reduce credit losses while supporting effective revenue collection to sustain service-delivery activities.

Credit risk is managed, measured and monitored through several mechanisms, including: Promoting registration on the indigent programme to correctly classify and support vulnerable households; Enforcement of the municipality's Credit Control and Debt Collection Policy; Requiring deposits for new service connections; Segmenting debtors into households, businesses, government and other categories to enable targeted collection strategies; and Ongoing monitoring of debtor performance and collection trends, with regular reporting to management and the Finance Portfolio Committee.

The municipality does not have a material concentration of credit risk, as exposure is dispersed across a broad base of consumers and is not concentrated in any specific sector or geographical area. All cash and investment are placed with reputable financial institutions with high credit ratings.

None of the financial assets have been pledged as security. The credit control and debt collection policy is utilised to manage the credit risk. The municipality makes an allowance for credit losses which represents the best estimate of expected future losses. Where applicable legal action is taken to recover the debt from counter parties, the credit quality of financial assets neither past due nor impairmed is considered to be good. Only accredited banking institutions in terms of the Banks Act are utilised by the municipality to ensure that it limits credit risk. Credit risk is controlled in trade payables from exchange transactions.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2025	2024
Cash and cash equivalents	22,093,998	16,228,109
Receivables from exchange transactions	51,727,222	49,513,180

There were no changes from the previous year in respect of objectives, policies and processes for managing risks and the methods used to measure the risks.

Market risk

Market risk is the risk that changes in market variables-most notably interest rates-may affect the municipality's financial performance or cash flows. The municipality has no exposure to foreign currency risk, as it does not transact in foreign currencies. The municipality's primary market risk exposure relates to interest rate risk.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

39. Risk management (continued)

Interest rate risk

Interest rate risk arises mainly from the municipality's cash and investment holdings. At year-end, the municipality held significant balances in call accounts and short-term investments, which are subject to interest rate fluctuations. Although these balances expose the municipality to interest rate movements, the municipality's operational income and day-to-day cash flows are generally not materially affected by changes in market interest rates.

The municipality is also exposed to equity market risk in respect of investments measured at fair value through surplus or deficit, as disclosed in the statement of financial position. The municipality does not have any long-term borrowings during the current financial year.

Interest rate exposure is managed through the application of the Credit Control Policy, which levies interest at prime rates on overdue consumer accounts. No changes to the policy, processes or methodologies for managing interest rate risk occurred during the year.

No changes were made to the policies, processes or methods used to measure or manage interest rate risk during the reporting period.

The municipality is exposed to interest rate risk arising from its holdings in interest-bearing financial assets. These include:

Investments	6 128 942	5 624 303
Call accounts	19 284 061	12 051 585

Risk Management
The municipality manages interest rate risk by:
- Investing in short-term call accounts to maintain liquidity
- Monitoring market interest rates regularly
- Avoiding speculative positions in interest-bearing instruments

Sensitivity Analysis

A change of 1% in interest rates at reporting date would have the following impact on surplus or deficit:	Call accounts impact	Investments impacts	Total impact
Increase by 1%	230 000 increase	242 000 increase	472 000 increase
Decrease by 1%	230 000 decrease	242 000 decrease	472 000 decrease

The above analysis assumes that all other variables remain constant and is based on the balances of interest-bearing assets at year-end.

40. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus (deficit) of 2,829,271,202 and that the municipality's total assets exceed its liabilities by 2,937,918,196.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This approach assumes that the municipality will continue to operate in the foreseeable future, with sufficient funding available to support ongoing operations, and that assets will be realised and liabilities settled in the normal course of business.

The municipality's ability to continue as a going concern is supported by several factors: it has recorded surpluses for the past three consecutive financial years; its asset-to-liability ratio demonstrates a strong financial position, indicating the ability to meet both short- and long-term obligations; and it continues to receive funding through government grants.

41. Subsequent events

Subsequent to the reporting date the municipal Council considered and approved the write-off or irregular expenditure .

Notes to the Annual Financial Statements

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42. Unauthorised expenditure

Opening balance	125,163,197	-
Add: Unauthorised expenditure - current	52,511,170	125,163,197
Less: Amount written off	(125,163,197)	-
Closing balance	**52,511,170**	**125,163,197**

Council approved a write-off of unauthorized expenditure of an amount of R174 147 407 for the 2023/24 financial year, following an MPAC investigation that confirmed and recommended the write-off. During the preparation of the 2024/25 annual financial statements, prior-year adjustment entries were processed, which resulted in a reduction of the unauthorized expenditure balance to R125 163 197.

Prior year disclosure
The unauthorized expenditure for the 2023/24 financial year was not disclosed. This arose from certain budget vote line items being incorrectly mapped on the B Schedule to other departments, resulting in significant overspending in some departments and underspending in others.

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	52,511,170	125,163,197

Analysed as follows: non-cash

Losses on disposal of assets	6,846,605	-
Debt impairment	19,868,309	-
Impairment	2,055,508	-
Irrecoverable debt	5,149,145	-
Depreciation and amortisation	20,809,125	-
Finance cost (interest charge)	5,059,841	-
	59,788,533	**-**

Unauthorised expenditure: Budget overspending – per municipal department:

Community Services	40,317,821	95,761,275
Corporate Services	4,032,911	5,729,043
Technical Services	3,507,509	7,217,598
Council	4,652,930	-
Office of the Municipal Manager	-	16,455,280
	52,511,171	**125,163,196**

43. Fruitless and wasteful expenditure

Opening balance	3,421,340	1,925
Add: Correction of prior period error	-	2,228,828
Restated opening balance	3,421,340	2,230,753
Add: Fruitless and wasteful expenditure: current	1,108,400	1,197,815
Less: Amounts written off	(1,309)	(7,228)
	4,528,431	**3,421,340**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

43. Fruitless and wasteful expenditure (continued)

Details of fruitless and wasteful expenditure

Eskom	16,442	7,830
Department of Labour	1,085,049	923,649
Financial loss	-	266,336
SARS interest plus penalties	223	-
Pension funds penalties	6,686	-
	1,108,400	**1,197,815**

Council has investigated the fruitless and wasteful expenditure and recommended that fruitless and wasteful expenditure be written off after a comprehensive enquiry by MPAC.

Prior year disclosure
Financial loss
In the 2023/2024 financial year, the municipality reported a financial loss of R266,336 resulting from payments made against invoices for services rendered, which were associated with fraudulent bank account details. As no value was received in return, the amount was reclassified in the prior year as fruitless and wasteful expenditure.

Department of Labour
Interest and penalties incurred stemmed from historical debt owed to the Compensation Fund under the Department of Labour. The outstanding balance, dating back to 2009, remained unsettled over multiple financial years. Due to this prolonged non-payment, the Compensation Fund imposed significant interest charges and penalties. These costs have been classified as fruitless and wasteful expenditure, as they do not offer any future economic benefit to the municipality and could have been avoided had the original liability been settled promptly. Accordingly, prior year figures were corrected to reflect the appropriate allocation of a portion of the interest to the relevant financial years.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

44. Irregular expenditure

Opening balance	7,435,071	2,493,298
Add: Correction of prior period error	-	1,560,291
Restated opening balance	7,435,071	4,053,589
Add: Irregular expenditure- current year	3,326,660	6,869,123
Less: Approved write-off	(10,761,731)	(3,487,641)
	-	**7,435,071**

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Government employee- false declaration	-	12,000
SCM process not followed	1,023,843	1,089,739
Invalid contract	73,739	2,193,748
Lack of transparency - Evaluation criteria applied in evaluating the quotations not indicated beforehand.	2,229,077	3,573,637
	3,326,659	**6,869,124**

All amounts disclosed as irregular expenditure are VAT inclusive.

Council has investigated the irregular expenditure and recommended that irregular expenditure be written off after a comprehensive enquiry by MPAC.

Prior year disclosure
During the 2023/2024 financial year, the disclosure of irregular expenditure was revised to reflect non-compliance with the updated requirements of the Preferential Procurement Regulations, 2022, which came into effect on 16 January 2023. Specifically, for procurement transactions exceeding R10,000 but below R30,000, management did not stipulate the evaluation criteria to potential service providers when requesting written quotations, as required under Regulation 3(1) of the Preferential Procurement Regulations.

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45. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	133,171	128,288
Amount paid - current year	(133,171)	(128,288)
	-	-

Audit fees

Opening balance	51,487	5,301
Current year subscription / fee	9,076,004	8,046,151
Amount paid - current year	(9,103,922)	(7,999,965)
	23,569	**51,487**

PAYE and UIF

Opening balance	(94,415)	(93,415)
Current year subscription / fee	48,694,087	42,887,867
Amount paid - current year	(48,694,087)	(42,888,867)
	(94,415)	**(94,415)**

Pension and Medical Aid Deductions

Current year subscription / fee	67,078,131	69,879,272
Amount paid - current year	(67,078,131)	(69,879,272)
	-	-

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2025:

30 June 2025	Outstanding less than 90 days	Outstanding more than 90 days	Total
Van der Walt L	2,380	8,424	10,804

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Van der walt L	2,404	11,338	13,742

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

46. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

The municipality did not have any deviations during the year.

Prior year disclosure:

During the 2023/2024 financial year, the municipality incurred expenditure amounting to R4,172,205.06 in respect of a deviation from the standard procurement processes. The service provider, Red Hawks Army Protection (Pty) Ltd, was appointed on an emergency basis to render armed and unarmed Grade C security services for a period of two months. The deviation was necessitated by an urgent security requirement.

47. Accounting by principals and agents

The municipality is a party to a principal-agent arrangement.

Details of the arrangment(s) is|are as follows:

Chief Albert Luthuli Local Municipality has appointed Contour Technology Proprietary Limited as an agent for selling and collecting of revenue from electricity sales on behalf of the municipality. The duration of the agreement is from 03 June 2022 till 02 June 2025 (36 months).

Contour Technology Proprietary Limited is the agent in this agreement and Chief Albert Luthuli Local Municipality is the principal, the agent is entitled to a commission of 2.07% (including VAT) of the total gross revenue in relation to the sale of electricity that they make on behalf of the principal.

Contour Technology deducts the commission directly from the collected revenue and pays over the net amount to the municipality.

Entity as principal

Resources (including assets and liabilities) of the entity under the custodianship of the agent

There are no resources of the municipality that are under the custodianship of Contour Proprietary Limited

Reconciliations

Opening balance	128,122	86,298
Total sales prepaid electricity including VAT	23,550,485	21,815,206
Less: Commission withheld	(487,495)	(451,575)
Less: Payments made during the year	(23,094,398)	(21,321,807)
	96,714	**128,122**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

48. Segment information

The segment reporting note is setup as per GRAP18 requirements.

General information

Identification of segments

The municipality is organised and reports on three major functional areas: Community and Public Services, Economic and Enviromental Services and Trading Services. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

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.

The following functional areas are not considered to meet the definition of a segment, due to the lack of direct economic benefit and service delivery, However they are disclosed for the purpose of reconciliation and classified as Unallocated:

- Administration and Corporate Support
- Finance
- Information Technology
- Municipal Manager Office
- Fleet Management
- Mayor and Council
- Governance, including Internal Audit
- Legal Services
- Human Resources

Types of goods and/or services by reportable segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Community and Public Services	Sports and Recreation, Public Safety and Community and Social Services
Economic and Enviromental Services	Environmental Protection, Road Transport, Planning and Development
Trading Services	Water, Electricity, Waste Management and Waste Water Management

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48. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2025

Segment revenue	Community and Public Services	Economic and Enviromental Services	Trading Services	Unallocated	Total
Revenue from non-exchange transactions	39,557,277	23,008,722	1,182,428	,025,576,773	1,089,325,200
Revenue from exchange transactions	-	-	105,307,318	8,004,803	113,312,121
Other income	696,975	864,666	207,995	3,338,126	5,107,762
Revenue interest investments	13,157,321	-	-	1,419,487	14,576,808
Total Segment revenue	53,411,573	23,873,388	106,697,741	,038,339,189	1,222,321,891
Total segmental revenue					**1,222,321,891**

Segment expenditure	Community and Public Services	Economic and Enviromental Services	Trading Services	Unallocated	Total
Employee cost & remuneration of councillors	(51,677,788)	(30,252,368)	(75,946,543)	(130,033,019)	(287,909,718)
Depreciation, amortisation & impairment loss	(77,662,690)	(37,650)	(3,448)	(2,030,442)	(79,734,230)
Bulk purchases	-	-	(136,596,242)	-	(136,596,242)
Contracted services	(29,443,396)	(9,229,915)	(37,161,479)	(36,836,108)	(112,670,898)
Other	(28,456,348)	(16,616,476)	(55,321,674)	(83,745,032)	(184,139,530)
Finance cost	(5,260,173)	-	-	(23,128)	(5,283,301)
Total Segment expenditure	(192,500,395)	(56,136,409)	(305,029,386)	(252,667,729)	(806,333,919)
Total segmental expenditure					**(806,333,919)**

Segment and entity reconciliation	Community and Public Services	Economic and Enviromental Services	Trading Services	Unallocated	Total
Total segmental revenue	53,411,573	23,873,388	106,697,741	1,038,339,189	1,222,321,891
Total segmental expenditure	(192,500,395)	(56,136,409)	(305,029,386)	(252,667,729)	(806,333,919)

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48. Segment information (continued)					
Total segmental surplus / deficit	(139,088,822)	(32,263,021)	(198,331,645)	785,671,460	415,987,972
Total entity surplus / deficit					**415,987,972**
Other reconciling items					
Gains and losses on disposal of assets and liabilities					(6,846,605)
Fair value adjustments					3,871,249
Total reconciling items					**(2,975,356)**
Total segment (deficit) / surplus					**413,012,616**

Segment assets and liabilities	**Community and Public Services**	**Economic and Enviromental Services**	**Trading Services**	**Total for all segments**	**Unallocated**	**Total for entity**
Total capital expenditure	34,261,496	17,748,823	32,484,768	84,495,087	356,802,031	441,297,118
Non current assets (including Capex)	1,505,045,563	47,717,203	525,748,929	2,078,511,695	983,617,383	3,062,129,078
Current Assets	4,583,832	4,210,099	78,130,935	86,924,866	58,135,117	145,059,983
Non current liabilities	6,842,324	-	-	6,842,324	69,447,202	76,289,526
Current liabilities	6,377,820	7,453,948	29,267,302	43,099,070	149,882,264	192,981,334

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48. Segment information (continued)

2024

Segment revenue	**Community and Public Services**	**Economic and Enviromental Services**	**Trading Services**	**Unallocated**	**Total**
Revenue from non-exchange transactions	21,017,970	18,069,147	1,846,057	982,753,295	1,023,686,469
Revenue from exchange transactions	-	(14,520)	81,997,905	15,205,323	97,188,708
Other income	611,842	659,817	78,086	4,640,679	5,990,424
Revenue interest investments	5,878,683	-	-	10,328,528	16,207,211
Total Segment revenue	27,508,495	18,714,444	83,922,048	1,012,927,825	1,143,072,812
Total entity revenue					**1,143,072,812**

Segment expenditure	**Community and Public Services**	**Economic and Enviromental Services**	**Trading Services**	**Unallocated**	**Total**
Employee cost & remuneration of councillors	(54,415,398)	(22,100,132)	(73,110,599)	(123,341,708)	(272,967,837)
Depreciation, amortisation & impairment loss	(67,400,679)	-	-	-	(67,400,679)
Bulk purchases	-	-	(117,294,553)	-	(117,294,553)
Contracted services	(27,020,186)	(12,896,170)	(50,675,728)	(46,851,711)	(137,443,795)
Other	(40,115,524)	(10,733,496)	(57,988,381)	(67,644,153)	(176,481,554)
Finance cost	5,162,030	-	-	(9,200,667)	(4,038,637)
Total Segment expenditure	(183,789,757)	(45,729,798)	(299,069,261)	(247,038,239)	(775,627,055)
Total segmental expenditure					**(775,627,055)**

Segment and entity reconciliation	**Community and Public Services**	**Economic and Enviromental Services**	**Trading Services**	**Unallocated**	**Total**
Total segmental revenue	27,508,495	18,714,444	83,922,048	1,012,927,825	1,143,072,812
Total segmental expenditure	(183,789,757)	(45,729,798)	(299,069,261)	(247,038,239)	(775,627,055)
Total segmental surplus / deficit	(156,281,262)	(27,015,354)	(215,147,213)	765,889,586	367,445,757
Total entity surplus / deficit					**367,445,757**

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48. Segment information (continued)

Other reconciling items		
Gains and losses on disposal of assets and liabilities		(3,478,255)
Gain or loss on exchange differences		-
Fair value adjustments		(385,766)
Actuarial gains/losses		(266,336)
Total reconciling items		**(4,130,357)**
Total segment (deficit) / surplus		**363,315,400**

Segment assets and liabilities	**Community and Public Services**	**Economic and Enviromental Services**	**Trading Services**	**Total for all segments**	**Unallocated**	**Total for entity**
Total capital expenditure	13,240,864	11,852,142	40,136,169	65,229,175	382,508,849	447,738,024
Non current assets (including Capex)	1,544,554,374	37,577,163	485,545,965	2,067,677,502	634,027,372	2,701,704,874
Current Assets	3,388,179	4,215,032	45,443,872	53,047,083	35,921,942	88,969,025
Non current liabilities	7,022,235	-	-	7,022,235	57,952,020	64,974,255
Current liabilities	4,859,924	6,945,164	34,103,060	45,908,148	162,740,875	208,649,023

During the review of management accounts, it was noted that segmented information was disclosed incorrectly. The disclosure has been updated to comply with the requirements of GRAP 18.

49. Budget differences

Material differences between budget and actual amounts

Statement of Financial Performance

Services Charges
Gradual increases in collection rate and electricity prepaid sales

Construction contracts
The difference is as a result f the Value Added Tax.

Rental income
Rental income was lower than anticipated due to reduced utilization of available properties. This revenue stream is inherently sensitive to demand-side factors and is subject to variation based on prevailing socio-economic conditions, including affordability, availability of alternative accommodation, and community preferences.

Interest received from exchange transactions- consumers
The lower-than-forecasted interest on exchange transactions is primarily due to conservative assumptions made during the budgeting process, which did not fully account for the impact of market dynamics and transactional behavior.

Other income
The significant variance in other income is primarily due to the treatment of SARS VAT refunds. During budget preparation, these refunds were anticipated and included in the budgeted amount. However, in line with the mSCOA (Municipal Standard Chart of Accounts) framework, SARS VAT refunds are not recognized as revenue in the income statement. Instead, they are accounted for as receivables (assets) on the balance sheet. As a result, while the budget reflected these expected refunds under other income, the actual income reported excludes them, leading to a substantial variance between budgeted and actual figures.

Fair value adjustments
The variance in fair value adjustment is due to an upward revaluation of investment properties during the financial year, resulting in a gain of R3 757 645. No budget was allocated for this item, as fair value adjustments are inherently unpredictable and subject to market fluctuations.

Government grants and subsidies
The variance in government grant income includes an amount of R11,964,000 that was rolled over from the previous financial year, relating to the Disaster Recovery Grant. This rollover contributed to the actual revenue exceeding the adjusted budget.

Donations
Since donations are inherently uncertain and depend on voluntary support from individuals, organizations, or other entities, no budget was made since there wasn't any commitment which could serve as a basis for expectation to be considered during budget process.

Traffic fines
More traffic fines were issued than budgeted for.

Remuneration of Councillors
The budgeted amount is intentionally set slightly higher than the actual expenditure to accommodate possible increases in councillor remuneration, which are typically gazetted after the budget is finalized and may be paid retrospectively. Since these upper limits are unknown during budget preparation, municipalities include a buffer to ensure compliance and financial flexibility.

Depreciation and amortisation
Depreciation has been significantly impacted by the addition of new infrastructure projects, which have substantially increased the asset base. As of 30 June 2024, capital additions amounted to approximately R400 million, and a further R76 million was added in June 2025. These additions contribute to higher depreciation charges, which are calculated from the month in which each project is completed and capitalized. Consequently, the actual depreciation expense exceeded the budgeted amount, reflecting the financial impact of these infrastructure investments.

Impairment loss
Unanticipated reduction in the useful lives of major infrastructure assets due to inadequate repairs and maintenance.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

49. Budget differences (continued)

Loss on disposal of assets and liabilities
The negative variance of R6 846 605 under Loss on Disposal of Assets and Liabilities is due to unanticipated disposals that were not factored into the original budget. At the time of budgeting, no significant asset disposals were projected, and therefore no provision was made for potential losses arising from such transactions. The actual loss incurred reflects the difference between the carrying value and the recoverable amount of assets disposed of during the period. These disposals may have been necessitated by operational restructuring, asset replacement, or obsolescence, and were only identified after the budget had been finalized.

Debt impairment
The overspending of debt impairment is primarily due to a higher-than-anticipated level of non-performing receivables identified during the reporting period. The budget was based on collection rates that were expected to improve; however, actual conditions reflected reduced recoverability of certain debtors.

Irrecoverable debt
The underspending on debt impairment is primarily due to the provision for the write-off of traffic fines not being fully utilized during the reporting period. The budget included an allocation based on anticipated levels of irrecoverable traffic fines; however, the actual write-offs were lower than expected.

Finance costs
Change in landfill provision and interest charged in reference to the assessment which was performed using the General Landfill Closure Costing Model (GLCCM) that was developed by Environmental & Sustainability Solutions (ESS).

Contracted services including repairs and maintenance
The variance is attributed to a deliberate provision made in the budget to allow flexibility in the implementation of repairs and maintenance activities, particularly in response to the ongoing risks of cable theft and vandalism. This flexible approach was intended to ensure that critical service delivery would not be disrupted by unforeseen operational demands or delays in procurement processes.

Statement of Financial Position

Cash and cash equivalent
The variance is primarily due to lower-than-anticipated actual cash flow levels during the reporting period. The budgeted cash position was based on an expected improvement in revenue collection rates, supported by planned revenue enhancement measures. However, actual collections fell short of projections, resulting in reduced cash inflows and a lower closing cash balance.

Receivables from exchange transactions
The negative variance is primarily due to higher-than-anticipated billing and service activity during the period. The budget was prepared based on historical trends and expected service volumes, with a conservative approach to avoid overstating revenue projections.

Receivables from non-exchange transactions
The negative variance is primarily due to higher-than-anticipated impairment levels applied to non-exchange receivables during the reporting period. While the budget projected a higher closing balance, the actual amount reported was significantly reduced as a result of increased recognition of irrecoverable amounts, particularly from older or long-outstanding receivables.

Inventories
The significant overspending on inventories is primarily due to underbudgeting on the secondary (balance sheet) budget. Increased procurement of critical stock items to support service delivery and mitigate risks such as cable theft and infrastructure vandalism.

Operating lease asset
The lease receivable was almost fully realised/settled during the year, resulting in a significantly lower balance than budgeted.

VAT
The variance is due to improved VAT refund processing by SARS and timing differences in claim submissions, which resulted in a much lower receivable at year-end.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

49. Budget differences (continued)

Investments
The decline reflects reclassification of certain long-term deposits to current investments to align with their maturity profiles.

Investment property
The increase is due to fair value adjustments performed at year-end, which were not budgeted.

Heritage assets
Heritage assets were identified and recognised during the year following a valuation exercise, resulting in balances not provided for in the budget.

Payables from exchange transactions
The lower balance reflects improved creditor payment turnaround, with suppliers paid earlier than anticipated. Budget assumed higher outstanding trade creditors at year-end.

Finance lease obligation
The variance is due to new lease agreements concluded during the year, which were not fully factored into the budget.

Payables from exchange transactions
The lower balance reflects improved creditor payment turnaround, with suppliers paid earlier than anticipated. Budget assumed higher outstanding trade creditors at year-end.

Employee benefit obligation
The variance is due to lower leave pay accruals and other short-term benefits payable at year-end compared to budget estimates. The increase arises from the recognition of post-employment medical aid and other long-term employee benefits, which were not budgeted for.

Long service award
The reclassification of portions of the long-service award liability to current liabilities was not budgeted for. The increase reflects updated actuarial valuations that projected higher future obligations than those budgeted

Provisions
The variance relates mainly to higher rehabilitation and landfill closure provisions, following updated cost estimates and inflation adjustments.

Accumulated surplus
The movement is consistent with actual results and reflects the cumulative impact of under-collection of revenue, overspending on inventories, and actuarial adjustments.

Cash Flow Statement

Taxation and fines
Collections exceeded expectations due to intensified credit control measures, stricter enforcement of statutory receivables, and once-off settlements of outstanding municipal accounts.

Sale of goods and services
Income from municipal services was lower than projected because of reduced consumption levels, affordability constraints affecting households, and lower collection rates in some areas.

Other receipts
This relates to lower than anticipated sundry revenues, recoveries, and agency income. Several revenue items budgeted under this category did not materialise, while certain once-off recoveries expected in the budget were delayed or not received

Finance charges
The implementation of the Municipal Fleet Procurement Plan resulted in the procurement of a host of municipal vehicles and yellow fleet plant in aid of reducing the dependancy on the fleet management contract. Additional vehicles procured inhouse included a grader and TLB. The increase owned vehicles resulted in the reduction on the finance lease payment.

Chief Albert Luthuli Local Municipality

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Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

49. Budget differences (continued)

Puchase of property, plant and equipment
Capital expenditure was lower than budgeted as some projects experienced delays due to tender appeals, contractor performance issues, and extended planning and environmental approval processes

Disposal of assets
Proceeds from the disposal of redundant and obsolete municipal assets were realised during the year. These disposals were not originally budgeted for as they depended on asset management processes undertaken during the year

Finance lease payments
Lease payments were not included in the final budget but became payable during the year in respect of equipment and vehicles financed through lease arrangements.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

50. Prior-year adjustments

The following items in the Statement of Financial Position, Statement of Financial Performance, and Cash Flow Statement have been restated to reflect prior-year adjustments:

Statement of financial position

2024

	As previously reported	Correction of error	Re-classification	Restated
Receivables from exchange transactions	28,299,178	(4,806,744)	-	23,492,434
Receivables from non-exchange transactions	38,899,538	(20,753,201)	309,717	18,456,054
Other receivables from non-exchange transactions	309,717	-	(309,717)	-
Inventories	15,920,267	270,884	-	16,191,151
VAT receivable control	-	9,488,959	-	9,488,959
Property, plant and equipment	2,657,507,940	(4,278,629)	(555)	2,653,228,756
Heritage assets	-	164,445	555	165,000
Payables from exchange transactions	(167,551,145)	(23,327,787)	-	(190,878,932)
Unspent conditional grants	(11,922,000)	(42,000)	-	(11,964,000)
Provisions	93,815,659	(55,698,639)	-	38,117,020
Accumulated surplus	(2,403,844,002)	(12,414,586)	-	(2,416,258,588)
	251,435,152	**(111,397,298)**	**-**	**140,037,854**

Statement of financial performance

2024

	As previously reported	Correction of error	Re-classification	Restated
Service charges	81,733,478	526,184	-	82,259,662
Interest received investment	16,400,632	(193,421)	-	16,207,211
Government grants	925,037,501	(42,000)	-	924,995,501
Debt impairment	41,201,783	6,607,075	-	47,808,858
Depreciation	66,396,041	571,492	-	66,967,533
Impairment loss	4,204,539	(3,771,393)	-	433,146
Finance costs	14,044,490	(4,084,374)	(5,921,479)	4,038,637
Contracted services	128,567,791	10,054,654	(1,178,650)	137,443,795
Operational cost	110,936,414	1,926,791	7,100,129	119,963,334
Loss on disposal of assets and liabilities	5,955,294	(2,477,039)	-	3,478,255
Surplus for the year	**1,400,468,387**	**9,117,969**	**-**	**1,409,586,356**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

50. Prior-year adjustments (continued)

Cash flow statement

2024

	As previously reported	Correction of error	Restated
Cash flow from operating activities			
Taxation and fines	108,000,439	(33,519,228)	74,481,211
Sale of goods and services	101,962,356	(94,183,611)	7,778,745
Government grants and subsidies	932,979,501	(12,034,000)	920,945,501
Interest income	16,400,632	30,811,752	47,212,384
Other receipts	6,502,425	77,384	6,579,809
VAT received	-	11,771,506	11,771,506
Employee costs	(269,846,015)	200,769	(269,645,246)
Suppliers	(423,935,269)	77,878,757	(346,056,512)
Finance costs	(13,058,490)	13,013,075	(45,415)
Transfers and subsidies	-	(8,709,362)	(8,709,362)
	459,005,579	**(14,692,958)**	**444,312,621**
Cash flow from investing activities			
Purchase of property, plant and equipment	(445,514,166)	4,363,147	(441,151,019)
Movement in investment	(675,893)	675,893	-
	(456,190,059)	**5,039,040**	**(441,151,019)**
Cash flow from financing activities			
Finance lease payments	9,329,426	(346,038)	8,983,388

Figures in Rand	2025	2024

50. Prior-year adjustments (continued)

Errors

The following prior period error adjustments occured:

Receivables from exchange transactions

Contour
An amount relating to prepaid electricity sales made in June 2024 was received and recognised in July 2024. The accrual of this amount in the 2023/2024 financial year resulted in an increase of R128 212 in receivables from exchange transactions (Contour), R111 410 in service charges (sale of electricity) and R16 802 in payables from exchange transactions (vat output accrual liability). Additionally, an amount of R392 673 withheld by the Contour as commission, was added to the revenue and commission expenditure.

Allowance for impairment
During the 2023/24 financial year, the municipality revised its methodology for calculating the impairment provision on receivables to align more closely with its approved debt impairment policy and to enhance the accuracy and consistency of impairment estimates. This updated approach, which incorporates a more refined assessment of recoverability based on historical collection trends and ageing analysis, was also retrospectively applied to the 2022/23 financial year. As a result, it was determined that the previous methodology had understated the impairment provision by R7,007,77.45 for 2023/24.

Other receivable
Settlement discounts were incorrectly disclosed as receivables rather than being recorded as expenditure in the statement of profit or loss. The error has been corrected, and the discounts are now properly disclosed in operational cost.This correction resulted in a decrease of R3 053 170 in receivables from exchange transactions and a corresponding increase in operational cost.

Receivables from non-exchange transactions

Allowance for impairment
During the 2023/24 financial year, the municipality revised its methodology for calculating the impairment provision on receivables to align more closely with its approved debt impairment policy and to enhance the accuracy and consistency of impairment estimates. This updated approach, which incorporates a more refined assessment of recoverability based on historical collection trends and ageing analysis, was also retrospectively applied to the 2022/23 financial year. As a result, it was determined that the previous methodology had understated the impairment provision by R 8 782 612 for 2023/24.

Inventories

Water for distribution
The inventory cost per litre was incorrectly calculated in the 2023/2024 financial year, resulting in the understatement of the inventory value relating to water. This adjustment resuled in an increase of R270 884 in inventories accumulated surplus.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

50. Prior-year adjustments (continued)

Property, plant and equipment

Buildings
During the current financial year, the municipality identified an error in the depreciation calculation of municipal office buildings classified under "Operational Buildings: Municipal Offices." The depreciation expense for these assets was overerstated in the prior financial year due to incorrect application of the useful life and residual value estimates. The correction of this error resulted in an increase of R5 412 in buildings and accumulated surplus.

Landfill site
During the current financial year the municipality identified an error in the depreciation calculation of landfill sites classified under "Solid Waste Infrastructure: Landfill Sites." The error arose due to incorrect estimation of the useful life and residual value of the landfill assets, resulting in an understatement of depreciation expense. The correction of this error resulted in an increase of R170 081 in landfill site and accumulated surplus.

Motor vehicles
During the current financial year, the municipality identified a prior period error in the depreciation calculation of motor vehicles. The error resulted from incorrect application of depreciation rates or useful life estimates, leading to an understatement of depreciation expense in the prior year. The correction of this error resulted in an increase of R60 488 in motor vehicles and accumulated surplus.

Additionally, the municipality identified an error relating to leased motor vehicles.The lease contracts had expired in the prior year but were not properly accounted for in the asset disposal records. This resulted in an overstatement of disposals of R 2 477 038.

IT equipment
During the current financial year, the municipality identified a prior period error resulting from incorrect reassessment of asset useful lives. This led to an overstatement of accumulated depreciation. The correction of this error resulted in an increase of R277 548 in IT equipment an accumulated surplus.

Community assets
During the current financial year, the municipality identified a prior period error resulting from incorrect reassessment of asset useful lives. This led to an overstatement of accumulated depreciation. The correction of this error resulted in a decrease of R764 218 in community assets and accumulated surplus.

Machinery and equipment
During the current financial year, the municipality identified a prior period error resulting from incorrect reassessment of asset useful lives. This led to an overstatement of accumulated depreciation. The correction of this error resulted in an increase of R688 176 in machinery and equipment and accumulated surplus.

Infrastructure assets
During the current financial year, the municipality identified a prior period error resulting from the incorrect capturing of impairment losses on property, plant and equipment. This led to a misstatement of impairment loss of R 595 484 for sanitation infrastructure and R 3 175 908 for water supply infrastructure.

Additionally, the municipality identified a prior period error resulting from incorrect reassessment of asset useful lives. This led to an overstatement of accumulated depreciation, which was corrected by adjusting the 2023 opening balance by

Work in progess
During the current financial year, the municipality identified a prior period error resulting from electrification of households expenditure included in work in progress. The correction of this error resulted in a decrease of R8 484 486 in work in progress and a corresponding increase contracted services.

Furniture and fixtures
During the current financial year, the municipality identified a prior period error resulting from incorrect reassessment of asset useful lives. This led to an overstatement of accumulated depreciation.The correction of this error resulted in an increase of R328 407 in furniture and fixtures and accumulated surplus.

Heritage Assets

50. Prior-year adjustments (continued)

Executive Mayor's Chain
The muncipality identified that the Mayoral Chain had been incorrectly classified under machinery and equipment in the asset register. Following a review, the asset has been reclassified as a heritage asset. As part of this reclassification, the asset was also revalued. The carrying amount was adjusted from R555 to a revalued amount of R165 000.

Payables from exchange transactions

Trade Payables
Compensation Fund
During the 2023/24 financial year, the municipality accrued Compensation Fund assessment expenditure that had not been previously recognised. This included amounts relating to the 2023/2024 year, and earlier financial years dating back to 2009. This adjustment resulted in an increase of R1 155 347 in trade payables and general expenses (workmen's compensation) in the 2023/2024 financial year, and in increase of R18 157 754 in trade payables and accumulated surplus relating to financial years 2009 to 2022, resulting in a restatement of the opening balance as at 1 July 2023.

Journals
The municipality identified journals that had been erroneously processed against trade payables.. These incorrect entries have been reversed, resulting in an increase of R2,186,925 in trade payables and a corresponding decrease in accumulated surplus.

Reversal of invoice
An invoice that was accrued during the 2023/24 financial year and is disclosed in the dispute register was subsequently reversed. This adjustment resulted in a decrease of R1 047 425 in trade payables, R910 805 in contracted services and R136,620 in receivables from exchange transactions (VAT input accrual).

Consumer deposits
The consumer deposit take-on balance was reconciled to align with the detailed deposit listing. This adjustment resulted in an increase of R77 384 in consumer deposits and a corresponding decrease in accumulated surplus.

Unspent conditional grants

Disaster relief grant
Differences identified between the trial balance and the grants working paper revealed that grant revenue had been overstated. To correct this error, an adjustment was processed resulting in an increase of R42 000 in unspent conditional grants and a corresponding decrease in government grants and subsidies (disaster relief).

Interest received- investments

Management identified misstatements relating to the disclosure of interest earned on investments. The variance arose due to differences between the investment register and the bank confirmations/investment account statements. This resulted in an understatement of interest income and the related balances disclosed. This correction resulted in a decrease of R193 421 in interest received investments and a corresponding increase in operational cost.

VAT

The VAT balances were previously presented in a manner that did not fully comply with the principles of fair presentation as required by GRAP. This error was corrected to separately disclose the:

VAT input accrual as receivables from exchange transactions
VAT receivable control as a statutory receivable
VAT output accrual liability as payables from exchange transactions

This resulted in:
An increase of R5 126 081 in receivables from exchange transactions
An increase of R9,488,959 in VAT receivable control
An increase of R2 797 803 in payables from exchange transactions
A decrease of R11,970,570 in receivables from non-exchange transactions

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

50. Prior-year adjustments (continued)

Provisions

Provision for rehabilitation
During the current financial year, management concluded on addressing a historical error relating to the site referred to as "*Carolina Old* Landfill Site" in the experts reports. The site was in fact an illegal dumping area.The site had previously been recognised as a landfill and therefore a rehabilitation provision was recognized. Consequently, management derecognised the provisions related to the cost of rehabilitating the site in question as it did not meet the recognition criteria for a rehabilitation provision in terms of GRAP 19.

Therefore, management has retrospectively corrected this error by removing the related provision in accordance with GRAP 3.

The following amounts relating to the misclassified site were reversed:

- Rehabilitation provision (liability):R55 698 639.00
- Change in estimate previously recognised in revenue:R1 423 694.00 (removing the impact of prior incorrect changes in estimate)
- Finance costs (unwinding of discount):R5 508 068.00 reversed

These adjustments resulted in an overall increase in accumulated surplus.

Contracted services and Operational Cost

Misclassifications of expenditure between contracted services and general expenditure were corrected. These adjustments resulted in an increase of R2 480 974 in contracted services and a decrease of R2 674 395 in operational cost.

Reclassifications

The following reclassification adjustments were made during the 2023/2024 financial year:

Other receivables from non-exchange transactions
Staff debtor was reclassified from other receivables from non-exchange transactions and is now disclosed under receivables from non-exchange transactions.

License and Permits
License and permits were reclassified from revenue from exchange transactions and are now disclosed as revenue from non-exchange transactions.

Contracted services
Software license expenditure was reclassified from contracted services and is now disclosed under operational cost.

Finance costs
Rental expenditure erraneously disclosed as finance costs was reclassified and is now disclosed under operational cost..

Cash Flow Statement

During the year, management identified prior-period errors that affected amounts previously reported. These errors were corrected retrospectively in accordance with the requirements of GRAP 3. Consequently, the 2024 cash flow statement amounts relating to operating, investing, and financing activities were adjusted to reflect the impact of these corrections.



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