2024/2025

LEKWA LOCAL MUNICIPALITY

ANNUAL REPORT

YEAR ENDED

30 JUNE 2025

Volume I

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REVISED ANNUAL REPORT TEMPLATE

The purpose of this Annual Report is to provide for improved, consolidated content and quality of Municipal Annual Reports, which gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government towards improving local government performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. This document provides an overview of municipal affairs by combining the annual performance report data required in terms of section 46 of the Municipal Systems Act, with annual report requirements as also referred to in the Municipal Finance Management Act (MFMA), 56 of 2003.

This Annual Report makes its contribution by attempting to forge linkages and reporting on information from the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP), Budget Reform Regulations, In-year Reports, Annual Financial Statements and Performance Management information of a municipality. It relates to the Medium-Term Strategic Framework particularly through the IDP strategic objectives; the cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual information as set out in Chapters 3, 4 & 5. It also provides information on good management practices in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5. It also addresses the Auditor General's Report, dealing with financial and performance management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

This document must provide information on probity, including anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants from external parties and disclosure of loans and grants by municipalities. The appendices provide more detail including disaggregated information on municipal wards, and capital projects per ward among others.

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

- Year -1: The previous financial year: **2023/2024**
- Year 0: The financial year of reporting: **2024/2025**
- Year 1: The following year, mostly requires future targets: **2025/2026**

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CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

EXECUTIVE MAYOR'S FOREWORD

History is full of defining moments that continues to change the world, the way we see it and how we respond to it. Change demands much from us, requiring us to break from our regular routines and forcing us to rethink what and how we do things. Within the context of local government, it has become even more evident for the world in general and Lekwa Local Municipality in particular that change has become the order of the day.

The 2024/2025 financial year and beyond brought about changes that has again required that we stay true to the mandate received from our constituencies, constantly striving to do better for the communities we serve.

This is an opportunity for us to take responsibility and give an account to our communities and stakeholders on the progress made thus far and the state of affairs of the Municipality, for the period 1st July 2024 to 30 June 2025, noting that the Auditor-General has completed its audit.

As torch bearers to our electorate, we must remain vigilant when managing and spending the public purse in a transparent and accountable manner. We remain accountable to our principals and electorate, who have bestowed on us the responsibility to be the custodians for effective service delivery.

I herewith take the opportunity to present the 2024/2025 Annual Report to give account of the state of affairs of the Municipality.

The challenges faced by the Municipality, will not detract us from continuing to strive towards being a leading, people centred Municipality excelling in economic growth and governance, and continues to demand amongst other things, the following from us:

(a) Accelerated infrastructure renewal and upgrades
(b) Improved service provision with a reduction in water, electricity and refuse collection interruptions;
(c) Improved maintenance of cemeteries, parks, the CBD and all areas in general;
(d) A change in organisational culture where everyone strives towards ethical and professional conduct;
(e) The continued monitoring of the implementation of the Financial Recovery Plan.

For the year under review, the Municipality set strategic goals and objectives, contained in the Integrated Development Plan (IDP). Investment in infrastructure upgrades for improved service delivery remains critical. The following are the capital projects that were undertaken during the 2024/2025 financial year:

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- Installation of boreholes
- Refurbishment of boreholes
- Installation VIP toilets
- Desludging of VIP toilets
- Construction of switching station in Rooikoppen – Phase 1
- Construction of 6km 11kv line – Phase 1
- Installation of High mast lights
- Retrofitting of street and highmast lights with energy efficient lights
- Rehabilitation of 1km of Vry Street
- Progress on the construction of a cemetery

The following projects have also been implemented on an agency basis by the Gert Sibande District Municipality, with funding from the Department of Water and Sanitation and ministerial intervention programme:

- Upgrade of Rooikoppen internal sewer reticulation
- Refurbishment of Standerton Water treatment works
- Upgrading of Johan, Steyn, Vaal and Muller pump stations
- Construction of 5ml underground clearwater tank at Standerton Water treatment works
- Construction and remedial work of internal sewer services in Standerton Extension 8
- Upgrade of Rooikoppen
- under the Municipality also managed to complete upgrading of the Standerton landfill site, noting the court order issued directing the Municipality to improve the health hazard conditions that were prevalent at the landfill site.

The intervention through the RBIG (Regional Bulk Infrastructure Grant) and WSIG (Water Services Infrastructure Gtant) as implemented by the Gert Sibande District Municipality as the implementing agency, have seen a number of projects being undertaken to amongst others address the service delivery matters through:

- Upgrading of Rooikoppen internal sewer reticulation
- Upgrading of TLC and Rooikoppen main sewer pump stations and pumping mains to the Standerton waste water treatment plant

These interventions are underway and is to be completed in the 2025/26 financial year.

The continued efforts through partnerships across all spheres of government has been instrumental in addressing our service delivery challenges. As we continue with our efforts to improve service delivery, making sure that all allocated grant funding is used where it is most needed. A major challenge remains the inconsistent water supply to some areas due to the water treatment plant infrastructure not working optimally, its design capacity no longer meeting demand and ageing infrastructure, resulting in pipe bursts and water supply interruptions. We need to especially address the challenge of certain areas in Sakhile not receiving water, which has been a matter that has been going on for far too long. In respect of sanitation

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services, the immediate challenge is that the Standerton waste water treatment plant capacity no longer meets effluent demand, with sewer spillages only being attended to within resource and capacity constraints.

It must be noted that the financial health of Lekwa Local Municipality for the year ending 30 June 2025 showed improvement despite facing substantial financial challenges. Key highlights include a transition from a deficit in the previous year to a surplus, achieved through strategic interventions and relief measures.

Total operating revenue reached R1,282 433 841, a 20% decrease from the previous year is driven by reduction in public contributions and a new revenue stream in the 2023/2024 financial year from the Debt Relief and Incentives program. This programs contributed R211.9 million, including Eskom writing off R136.5 million in interest and the Provincial Department of Transport writing off R75.3 million as irrecoverable debt.

Grants receipts contributed R244 million (19%) of the total revenue, while revenue generated from property rates and service charges accounted for R 832 594 710 (65%) of the total revenue mix. Although there are no specific norms and standards to measure grant dependency, this revenue mix indicates that the Municipality is not entirely dependent on grants and subsidies to finance its operations.

However, further improvements in own revenue generation are necessary. To address this, the Municipality is actively implementing various revenue enhancement programs aimed at reducing the operating deficit over the multi-year period.

Operating expenditure rose to R1 663 824 306, with major costs stemming from bulk purchases (39%), employee costs (20%), and debt impairment (11%). Despite this, the Municipality reduced debt impairment costs by R24 million through improved collections and refined methodologies. Cost-curtailment measures, including reducing overheads, renegotiating contracts, and prioritizing essential service delivery, are actively being implemented to manage expenditures.

The Municipality recorded a deficit of R358 million, ending the year with R16.2 million in cash and cash equivalents. While challenges remain, the notable revenue growth and strategic cost management efforts signal progress in the Municipality's financial recovery and its commitment to sustainable operations and improved service delivery.

The Municipality has further implemented cost curtailment measures as well as the establishment of a cash flow management committee in order to reduce expenditures. The Municipality is committed to reducing running overheads such as overtime, standby, telephone costs, printing and stationery, including the reduction of non-essential procurement and expenditure. Furthermore the municipality took an initiative to renegotiate contracts with its service providers to reduce their scopes to affordable levels. Adequate provision is made towards expenditure that can improve service delivery on water network maintenance, improved sanitation, electricity maintenance and road maintenance amongst other expenditure.

The Municipality maintained its audit outcome of a qualification, noting that the Municipality adequately implemented key activities as part of the post audit action plan which addressed findings raised by the Auditor General in the 2023/2024 financial year. The Municipality is committed to progressively improve its audit outcome, with the ultimate objective of obtaining a clean audit. This process will be closely monitored through the developed post audit action plan to address the all findings. The following key findings will be addressed in the 2025/2026 financial year:

- Irregular expenditure
- Receivables from exchange transactions
- Bad debt written off
- Contracted services
- VAT input and output accrual
- Cashflow statement

The Municipality remains committed to maintain the highest standards of governance and accountability which is fundamental for the effective management of public finances and resources. It remains the municipality's commitment as the executive, governance and oversight structures to monitor and safeguard that all municipal resources are utilised effectively, efficiently and economically.

I also wish to thank the political leadership and administration for their continued efforts, hard work and dedication. Lastly, to the employees and the community at large let us continue to be vigilant in our efforts to work towards a municipality that we can be proud to be part of.

We remain committed to ensuring that service delivery remains at the forefront of our commitment to all constituencies for a better life for all.

I thank you

Signed by:
Executive Mayor
S. Mngemezulu

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

The 2024/2025 Annual Report is herewith presented in order to give an account to our communities and

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stakeholders on the overall performance of the Municipality for the period 1st July 2024 to 30th June 2025.

Lekwa Local Municipality, being a Category B municipality situated within the Gert Sibande District in the Mpumalanga Province, is one of seven municipalities within the district. The Municipality exercises its powers and functions towards administrative and operational efficiency, having put checks and balances in place, in line with its constitutional mandate and other legislative requirements, policies and procedures, including a system of delegations as espoused in terms of section 59 of the Municipal Systems Act 32 of 2000.

The municipality does not have any entities under its control and also has not entered into any public private partnerships for the year under review. Shared powers and functions relate to environmental health inspections undertaken by the Gert Sibande District Municipality. Sector department functions that are shared with the municipality includes library services. Traffic law enforcement in respect of vehicle and drivers licence services is being provided by the Mpumalanga Department of Community Safety, Security and Liaison.

Noting the continued challenges faced by the Municipality for the year under review, there has also been very positive developments, within the current resource constraints.

For the reporting period, the Auditor General SA commenced as per schedule after the unaudited annual financial statements and annual performance report was submitted on 31st August 2025.

It must be noted that the financial health of Lekwa Local Municipality for the year ending 30 June 2025 showed improvement despite facing substantial financial challenges. Key highlights include a transition from a deficit in the previous year to a surplus, achieved through strategic interventions and relief measures.

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- Irregular expenditure
- Receivables from exchange and non-exchange transactions
- Bad debt written off

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- Contracted services
- VAT input and output accrual
- Cashflow statement

The total revenue of the Municipality at the end of June 2025 has reduced by R 298 million (19%) when compared to the reporting period ended 30 June 2025.

The main sources of revenue excluding Grants and Subsidies for the 2024/25 financial year were as follows:

Electricity R 459 million (35.8%)

Property Rates R 201 million (15.6%)

Water R 83 million (6.4%)

Sanitation R 68 million (5.3%)

Refuse R 20 million (1.5%)

The revenue generated from sales of electricity contributed 26.5% (R 459 million) of the total revenue mix, thus indicating that the electricity business unit should be nurtured and operated efficiently to ensure increased revenue from this service. This includes ensuring revenue protection by removing illegal connections, replacing bridged and tampered meters, ensuring accuracy of billing by effecting correct tariffs that are billed on time and accurate meter readings being taken.

The Municipality had a total operating expenditure for the reporting period ending 30 June 2025 amounting to R 1 663 824 306. There was an increase in expenditure which amounted to R 131 967 786 when compared to the period ended 30 June 2024. The main contributors to this increase are the increase in bulk purchases of R126 984 522, contracted services of R27 494 294 and employee related costs of R48 404 803. The Municipality was able to reduce Debt impairment by R24 596 961, this can be attributed to an improvement in collection rate and a change in impairment calculation methodology.

The following expenditures remains the highest cost drivers and have a significant impact on the revenue of the Municipality thus requiring the Municipality to vigorously implement the revenue enhancement strategy and continuous cost curtailment measures:

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Bulk purchases R 651 million (39%)

Employee related costs R 327 million (19.6%)

Debt impairment R 182 million (10.9%)

Depreciation R 63 million (3.7%)

Finance costs R 144 million (8.6%)

Contracted services R 156 million (9.3%)

The Municipality has further implemented cost curtailment measures as well as the establishment of a cash flow management committee in order to reduce expenditures. The Municipality is committed to reducing running overheads such as overtime, standby, telephone costs, printing and stationery, including the reduction of non-essential procurement and expenditure. Furthermore the municipality took an initiative to renegotiate contracts with its service providers to reduce their scopes to affordable levels. Adequate provision is made towards expenditure that can improve service delivery on water network maintenance, improved sanitation, electricity maintenance and road maintenance amongst other expenditure.

The municipality had a deficit for the year of R358 911 294 for the period ending June 2025. The Municipality had cash and cash equivalents amounting to R16 240 927 at the end of June 2025.

The audit action plan will be monitored on a monthly basis, with quarterly reports being submitted to the various executive and governance structures as part of remaining accountable to sustain the current momentum of the qualified audit opinion.

The implementation and reporting on the approved Financial Recovery Plan (FRP) is the responsibility of the entire management team in order to steadily improve the financial sustainability of the Municipality. Reports are submitted on a monthly basis and quarterly War Room meetings are held, facilitated by National Treasury, to track progress. Inroads have been made towards exiting the rescue phase of the FRP.

It must also be noted that for the year under review, with two vacant senior management positions, the appointed managers who filled these positions in an acting capacity, was equal to the task, which greatly assisted in creating senior management and administrative stability and the team is commended for their hard work and dedication.

The Municipality's risk management function, under direction of the accounting officer is critical in

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planning and implementing measures to manage and mitigate risks. The 2024/2025 financial year strategic risk assessment was conducted and all risks were identified at maximum, high and medium risks. With a functional Risk Management, Anti-Fraud and Anti-Corruption Committee (RMAFACC), risks were managed and mitigated and reported on to the Audit Committee and Council on a quarterly basis.

The year under review had its fair share of challenges and with it falling squarely on my shoulders as the accounting officer, maintained audit outcome also means that we are far from being out of the woods, we need to work much harder, crossing all the t's and dotting all the i's so that we do not drop the ball for the next audit season.

I would like to take the opportunity to express my gratitude to the political leadership, the management team and employees that against all odds and putting differences aside, doing what needed to be done within our current resource constraints and challenges to have completed the audit. The commitment remains to continue putting our shoulder to the wheel, noting the very pervasive challenges faced by the Municipality. It is only through working as a team and making sure that we get the basics right that we will ensure sustainable service delivery, that will improve the lives of our communities.

M. Jiyane
Acting Municipal Manager

T 1.1.1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Lekwa Local Municipality is a Category B municipality situated within the Gert Sibande District in the Mpumalanga Province. It is one of seven municipalities in the district. It was established on the 5th of December 2000 after the amalgamation of three former Transitional Local Councils, namely Standerton, Sakhile and Morgenzon. It is located in the south-west of the district, with immediate entrances to KwaZulu-Natal, Gauteng and Free State Provinces. Newcastle, Heidelberg and Vrede are respective immediate entrances. Standerton serves as an urban node, whilst Morgenzon, which is 45km northeast of Standerton, serves as a satellite node. Lekwa, with an area of 4 557km² lies on the large open plains of the Highveld region, which is characterised by tall grass, and it is transversed by the Vaal River, which flows in a western direction. The municipality, named after the Vaal River is commonly known as Lekwa (the Sesotho name for the Vaal River).

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The data contained in this section, extracted from StatsSA's 2021 midyear population estimates report, and the latest Socio-Economic Review and Outlook (SERO) reports. In addition, data obtained from the Mpumalanga Department of Finance's economic development division as well as data collected by the Municipality has also been used to provide the statistical data. Wherever possible, comparative data has been provided in respect of contributions made by the Municipality towards satisfying the basic requirements for water, sanitation, electricity, solid waste removal, housing, local economic development, roads, stormwater and town planning.
T 1.2.1

Demographics and Statistical Overview

Population			Households		
	Population Number: 119 669 **(Stats SA – Census 2022)**			Households: 38 583 **(Stats SA – Census 2022)**	
Education			**Poverty**		
	Matric Pass Rate	75.6% **(2023 NSC Results)**		Population below the Lower Bound Poverty Line (LBPL)	47.5%
	Admission to B Degree studies	28.7% **(2023 NSC Results)**		Number of poor households in 2023 as estimated by National Treasury	23 187
Access to Basic Service Delivery					

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	Access to piped water in the dwelling 69.1%		Flush toilets connected to sewerage 91.4%		Electricity for lighting 94.8%
	Weekly refuse disposal service 77.7%				Formal Dwellings 88.5%

Labour and Economic Indicators					
Estimated number of job losses in 2021	**3 968**	Official/ strict unemployment rate 2022	**23.9%**	Average annual economic growth 1996 - 2022	**1.5%**
Number of job gains in 2022	**5 512**	Official youth (15-34yr) unemployment rate 2022	**37.7%**	Average annual economic growth 2023 – 2027	**3.2%**

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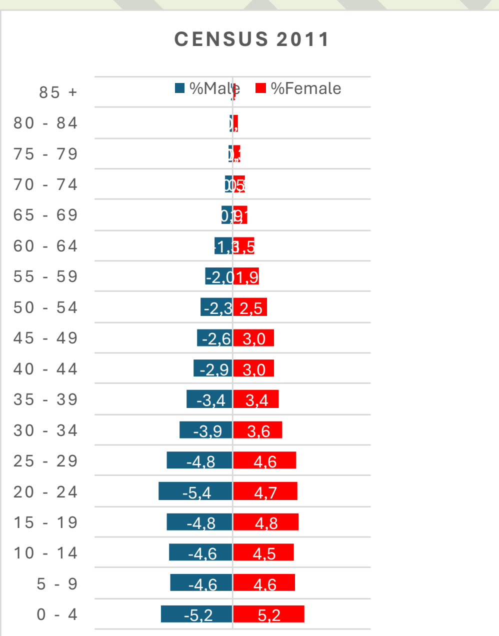
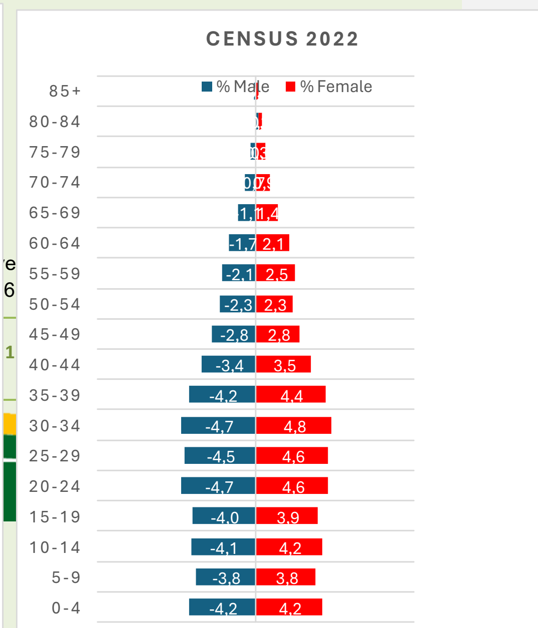
Structure of Lekwa's Economy in constant 2015 – prices								
Agricul-ture 11.1	Mining 11.4%	Manufac-turing 12.2%	Construc-tion 1.8%	Trade 13.7%	Transport 5.2%	Finan ce 14.5%	Community Services 21.4%	Utilities 8.6%

Health Indicators				
HIV Prevalence amongst 15-24 year olds	April 2021 – March 2022 195	Teenage Pregnancy	Teenage deliveries 2020/2021 472
	April 2020- March 2021 157		Teenage deliveries 2021/2022 378





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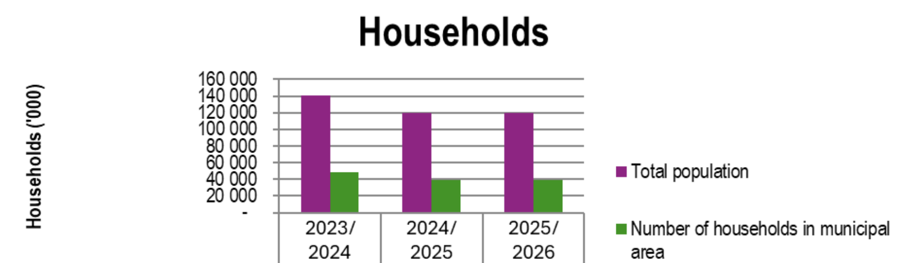
51.3% and that of males 48.7%. The age profile characteristic of the Lekwa LM skews more towards a decreasing population pyramid. It can be observed from the above pyramids that the population of Lekwa LM is slowly growing and that there is a relatively large portion of young individuals. This could have implications on future demographic trends, such as changes in workforce, demands on social services, and overall economic development. It also evident that in 2011, the bulk of the population fell within the 20-24 age group. In 2022, the female 30-34 age group is the largest. The 2022 pyramid also indicates that the municipality has a large base of working age population groups.



	2023/ 2024	2024/ 2025	2025/ 2026
Total population	140 970	119669	119669
Number of households in municipal area	48108	38583	38583

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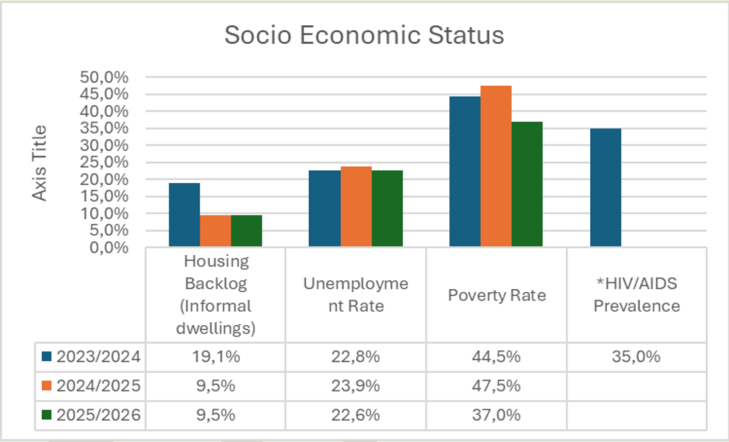
Chapter 1



Natural Resources	
Major Natural Resource	**Relevance to Community**
Grootdraai Dam	10th largest dam in South Africa. Can contribute significantly to tourism development which can create job opportunities
Municipal and state-owned land	Land availability for economic development
	T 1.2.7

COMMENT ON BACKGROUND DATA:

From the 2022 Census, the youth population (0-34 years) formed 60.1% of the local municipal area's population and the elderly population (60+ years) 9.6%. In 2022, the female population's share was 51.3% and that of males 48.7%. The age profile characteristic of the Lekwa LM skews more towards a decreasing population pyramid. It can be observed that the population of Lekwa steadily growing, with a relatively large youth population. This could have implications on future demographic trends, such as changes in workforce, demands on social services, and overall economic development. It also evident that in 2011, the bulk of the population fell within the 20-24 age group. In 2022, the female 30-

34 age group was the largest. The 2022 pyramid also indicates that the municipality has a large base of working age population group.

T 1.2.8

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

In terms of water, sanitation, electricity and roads infrastructure as well as refuse removal services, the Municipality has been unable to cope with the demand for these basic services. Over a number of years, the situation has been compounded by inadequate infrastructure maintenance and has gradually deteriorated, subjecting communities to inconsistent water and electricity supply. The failing infrastructure may potentially expose communities to health and safety hazards. The current situation regarding water, sanitation, electricity and roads infrastructure is due to the following challenges:

- Inadequate maintenance of existing infrastructure
- Insufficient budget to adequately fund ongoing operations and maintenance
- Slow refurbishment and upgrade of aged infrastructure
- Lack of a comprehensive infrastructure master and maintenance plans
- Skills shortages in critical areas

It is of utmost importance to note that profitable local economies are driven by an efficient and functional infrastructure system of water, sanitation, electricity and roads management infrastructural services. In short, good infrastructure improves the quality of life and has economic spin-offs.

The Municipality will be receiving assistance through the Department of Water and Sanitation's (DWS) Water Services Infrastructure Grant (WSIG) and Regional Bulk Infrastructure Grant (RBIG) and Seriti to refurbish and upgrade water and sanitation infrastructure. The Municipality will also be procuring service providers to assist with the repairs and maintenance of water and sanitation infrastructure.

T 1.3.1

Proportion of Households with minimum level of Basic services

	2021/2022	2022/2023	2023/2024	2024/2025
Electricity service connections	91%	91%	94%	94%
Water - available within 200 m from dwelling	94%	94%	96%	96%
Sanitation - Households with at least VIP service	87%	87%	87%	97%
Waste collection - kerbside collection once a week	69%	69%	69%	66%

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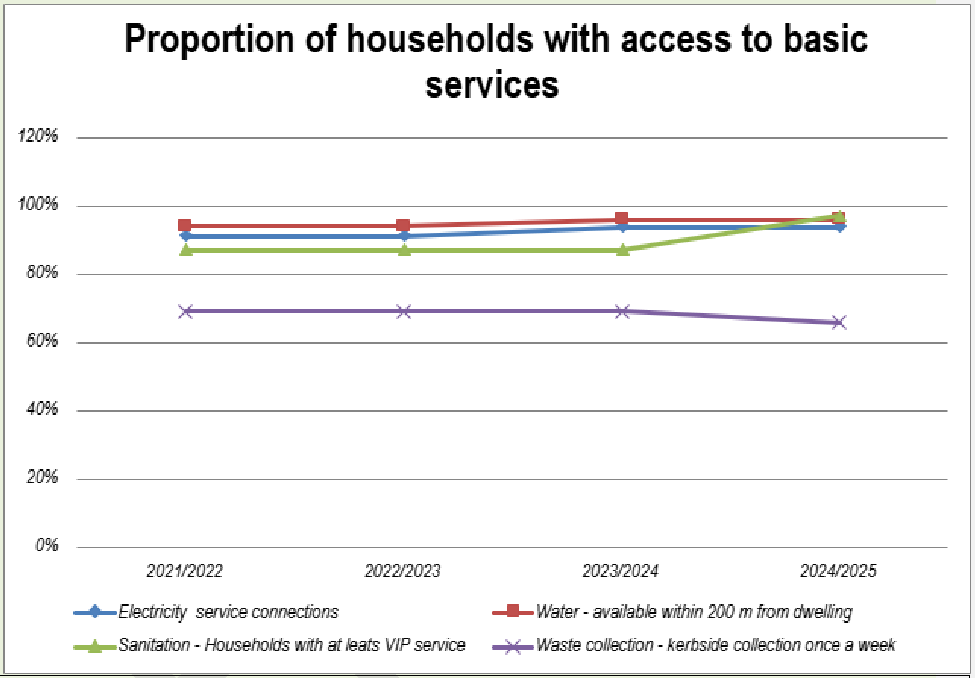

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COMMENT ON ACCESS TO BASIC SERVICES:

It is important to note that profitable local economic activities require efficient, optimally functioning systems of water, sanitation, electricity and roads management infrastructure services are available, including regular refuse removal services. In short, good infrastructure improves the quality of life of the residents of a municipality and creates opportunities for local economic growth.

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The major challenges relating to water provision includes the inconsistent water supply to some areas due to the water treatment plant infrastructure not working optimally and with the design capacity no longer meeting demand, as well as ageing infrastructure thus leading to pipe bursts and water supply interruptions. The backlogs and non-functional water infrastructure in the rural wards also results in water supply challenges.

In respect of sanitation services, the immediate challenge is that the Standerton waste water treatment plant capacity no longer meet effluent demand, with sewer spillages attended to within resource and capacity constraints. The Department of Water and Sanitation's 2023 Blue Drop Report indicates that the Lekwa Local Municipality received a "high" Blue Drop Risk Rating (BDRR). This rating reflects concerns about the quality of drinking water services in the municipality. Regarding wastewater management, the 2023 Green Drop Report reveals that 34% of wastewater systems nationally are in a critical state, the Standerton Wastewater Treatment Plant in Lekwa specifically is operating at 164% over capacity and received an overall score of 17%, placing it in the critical risk category. This overcapacity poses significant environmental and public health risks. While specific "No Drop" data for Lekwa Local Municipality is not available, the 2023 No Drop Watch Report highlights that non-revenue water (NRW) increased from 37% in 2014 to 47% in 2023 nationally. NRW includes water losses due to leaks, unauthorized consumption, and metering inaccuracies, indicating inefficiencies in water distribution systems. These findings underscore the need for urgent interventions to improve water and wastewater management in Lekwa Local Municipality.

The backlogs and the ablution facilities that need to be emptied in the rural wards results in sanitation challenges. The current sewer spillages into the Vaal River have been receiving attention, but efforts will be stepped up to find permanent and lasting solutions to these challenges as the extent of its negative environmental impact is significant. The risk rating for the municipality's Waste Water Treatment Plants are high as the plant capacities are overloaded and exceeded, thus requires upgrades, which the RBIG and WSIG funding seeks to begin addressing.

Electricity supply has experienced challenges relating to electricity supply including the exceeding of the notified maximum demand of 55MVA provided by Eskom, when current actual demand is at 67MVA. Electricity tariffs are still not fully cost reflective, which poses a challenge for the Municipality to service the Eskom account as well as to generate additional income for other service delivery matters. Illegal electricity connections and theft of electricity also negatively affects revenue generation from electricity sales. The current crisis remains that the Municipality has been unable to service its Eskom debt as per the repayment plan and the court order. Payments of about R2 million per week are made towards reducing the Eskom debt. 15% of the equitable share is also paid to Eskom with every tranche received.

Refuse removal services are provided to households but current challenges includes that the Morgenzon Landfill site has reached its design capacity lifespan and the Standerton landfill site is not managed in terms of the its permit requirements. Insufficient refuse removal trucks and the occasional breakdown of these vehicles has also negatively impacted the delivery of refuse removal services on a weekly basis. Plans are afoot to procure additional refuse removal trucks in the 2022/2023 financial year.

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1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The financial health of Lekwa Local Municipality for the year ending 30 June 2025 shows significant improvement despite facing substantial financial challenges. Key highlights include a transition from a deficit in the previous year to a surplus, achieved through strategic interventions and relief measures.

Total operating revenue reached R1,282 433 841, a 20% decrease from the previous year is driven by reduction in public contributions and a new revenue stream in the 2023/2024 financial year from the Debt Relief and Incentives program. This programs contributed R211.9 million, including Eskom writing off R136.5 million in interest and the Provincial Department of Transport writing off R75.3 million as irrecoverable debt.

Grants receipts contributed R244 million (19%) of the total revenue, while revenue generated from property rates and service charges accounted for R832 594 710(65%) of the total revenue mix. Although there are no specific norms and standards to measure grant dependency, this revenue mix indicates that the Municipality is not entirely dependent on grants and subsidies to finance its operations.

However, further improvements in own revenue generation are necessary. To address this, the Municipality is actively implementing various revenue enhancement programs aimed at reducing the operating deficit over the multi-year period.

Operating expenditure rose to R1 663 824 306, with major costs stemming from bulk purchases (39%), employee costs (20%), and debt impairment (11%). Despite this, the Municipality reduced debt impairment costs by R24 million through improved collections and refined methodologies. Cost-curtailment measures, including reducing overheads, renegotiating contracts, and prioritizing essential service delivery, are actively being implemented to manage expenditures.

Chapter 1

The Municipality recorded a deficit of R358 million, ending the year with R16.2 million in cash and cash equivalents. While challenges remain, the notable revenue growth and strategic cost management efforts signal progress in the Municipality's financial recovery and its commitment to sustainable operations and improved service delivery.

T 1.4.1

Financial Overview: 2024/2025			R' 000
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants	245 740 729	244 346 729	244 346 729
Taxes, Levies and tariffs	930 568 011	831 415 741	832 594 710
Other	121 134 028	234 786 426	205 492 402
Sub Total	1 297 342 768	1 310 548 896	1 282 433 841
Less: Expenditure	1 621 918 620	1 625 032 395	1 663 824 306
Net Total*	**(324 575 852)**	**(314 483 499)**	**(381 390 465)**
** Note: surplus/(deficit)*			*T 1.4.2*

Operating Ratios	
Detail	**%**
Employee Costs	1%
Repairs & Maintenance	4.7%
Finance Charges & Impairment	19.6%
	T 1.4.3

COMMENT ON OPERATING RATIOS

Employee-related costs accounted for **20%** of the total operating expenses, which remains within the accepted norm of **25-40%**. However, the Municipality faces a high vacancy rate, primarily due to delays in filling positions caused by inadequate cash flow. This high vacancy rate has significantly contributed to increased standby and overtime costs. To address this, the Municipality has reviewed its

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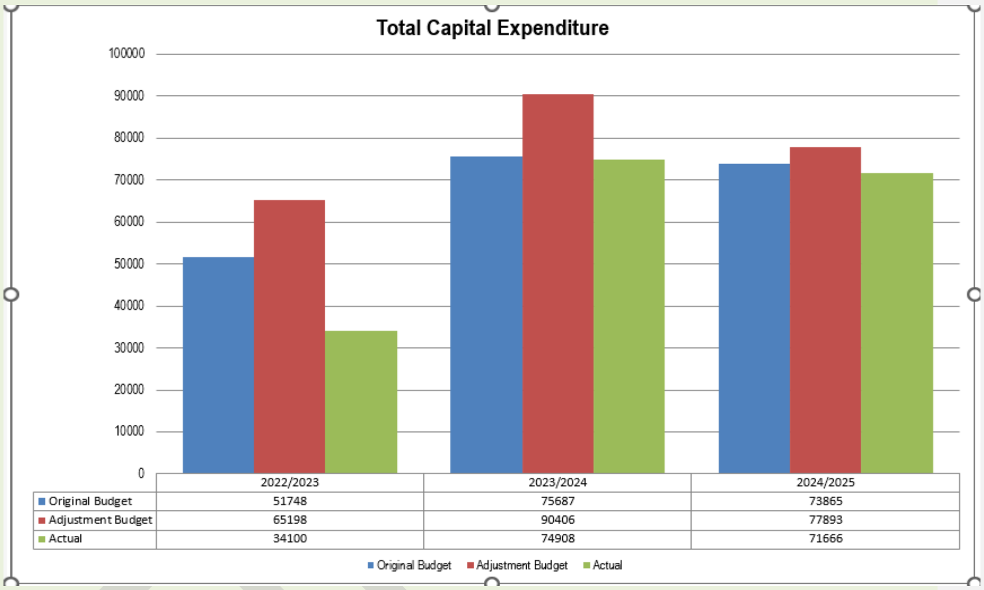
organizational structure, prioritizing the filling of critical positions that will have an immediate impact on service delivery.
Spending on repairs and maintenance amounted to **4. 7%** of the total operating costs for the reporting period, which is below the average norm of **8%**. The inadequate investment in this area is attributed to the unfunded position of the budget. To address this, the Municipality is developing a comprehensive maintenance plan to manage repairs and maintenance activities in a more structured manner.
The ratio for finance charges and impairment costs increased during the period, driven by the need to raise provisions for debt impairment due to insufficient cash flow and low revenue collection. Additionally, the rise in finance charges is linked to the interest incurred on Eskom debt. These factors underscore the importance of improving cash flow management and enhancing revenue collection to stabilize financial performance.

T 1.4.3

Total Capital Expenditure: 2022/2023- 2024/2025			R'000
Detail	**2022/2023**	**2023/2024**	**2024/2025**
Original Budget	51 748	75 687	73 865
Adjustment Budget	65 198	90 406	77 893
Actual	34 100	74908	71 66
			T 1.4.4



COMMENT ON CAPITAL EXPENDITURE:

The Municipal has significantly improved on the capital expenditure from 83% in the 2023/2024 financial year to 92% in the 2024/2025 financial year. The Municipality has spent 100% of conditional grants however, could not implement projects that are internally funded due to cash flow constraints. Additionally, the Municipality has enhanced its turnaround time for finalising the appointment of service providers for capital project implementation, further contributing to increased grant expenditure.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

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ORGANISATIONAL DEVELOPMENT PERFORMANCE
The human resource management of the municipality comprises of activities relating to the rendering of a comprehensive human resource management function to Council by ensuring an efficient personnel administration system, recruitment and selection, sound labour relations, human resources development, implementation of affirmative action measures, occupational health and safety of employees and compliance with all relevant labour legislation.
T 1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2024/2025 FINANCIAL YEAR

Report of the auditor-general to the Mpumalanga Provincial and the council on the Lekwa Local Municipality

QUALIFIED OPINION

1. I have audited the financial statements of the Lekwa Local Municipality set out on pages 456 to 561, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actuals 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, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Lekwa Local Municipality as at 30 June 2025, and financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (GRAP), the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) the Division of Revenue Act 24 of 2024 (Dora).

BASIS FOR QUALIFIED OPINION

IRREGULAR EXPENDITURE

3. The municipality did not include all instances of irregular expenditure in the financial statements, as required by section 125(2)(d) of the MFMA, as the municipality did not have adequate systems to identify all prior year's irregular expenditure. I was unable to determine whether any further adjustments were necessary to the closing balance of irregular expenditure for the current and prior year. Consequently, I was unable to determine the full extent of the understatement of irregular expenditure stated at R1,07 billion (2023-24: R1,04 billion) in note 56 to the financial statements, as it was impracticable to do so.

Receivables from exchange transactions

4. The provision for impairment of debtors was not calculated in accordance with the Standards of GRAP 104, *Financial Instruments.* A general rate was applied for all the debtors in calculating the impairment provision, without assessing the credit risk for a group or subgroup of debtors. Additionally, the data used to calculate the impairment included accounts belonging to the municipality. Consequently, I was unable to determine the impact on debt impairment stated at R182,18 million (2023-24: R206,78 million) in note 35 to the financial statements and receivable from exchange transactions R579,58 million (2023-24: R459,33 million) in note 3 to the financial statements, as it was impracticable to do so.

Receivables from non-exchange transactions

5. The provision for impairment of debtors was not calculated in accordance with the Standards of GRAP 104, *Financial Instruments.* A general rate was applied for all the debtors in calculating the impairment provision, without assessing the credit risk for a group or subgroup of debtors. Additionally, the data used to calculate the impairment included accounts belonging to the municipality. Consequently, I was unable to determine the impact on debt impairment stated at R182,18 million (2023-24: R206,78 million) in

note 35 and receivable from non-exchange transactions R301,46 million (2023-24: R289,53 million) in note 4, as it was impracticable to do so.

BAD DEBT WRITTEN

6. The municipality did not account for bad debt written off in accordance with GRAP 1, *Presentation of financial statements*. The bad debt written off in the current and previous year was not accounted for and disclosed in the financial statement. As a result, the expenditure was understated by R19, 44 million (2023-24: R 123,96 million), and I was unable to determine the full extent of receivables from exchange and non-exchange transactions as it was impractical to do so. Additionally, there was an impact on the deficit for the period and the accumulated surplus.

Contracted services

7. The municipality did not have adequate systems to account for contracted services in accordance with GRAP 1, *Presentation of financial statements*, as contracted services was not recorded in correct accounting period. This resulted in contracted services being overstated by R22,28 million. Additionally, there was an impact on the deficit for the period.

VAT output accrual

8. The municipality did not have adequate systems to account for vat output accrual in accordance with GRAP 104, *Financial Instrument*. The municipality control accounts for the effects of receipts received and debt write-offs. Consequently, I was unable to determine the full extent of the overstatement of VAT output accrual stated at R 749, 20 million (2023-24: R 660, 98 million) in note 14 to the financial statements, as it was impracticable to do so.

VAT input accrual

9. The municipality did not have adequate systems to account for vat input accrual in accordance with GRAP 104, *Financial Instrument*. The municipality did not account for the effects of payments made. Consequently, I was unable to determine the full extent of the overstatement of VAT input accrual stated at R 905, 81 million (2023-24: R 777, 79 million) in note 6 to the financial statements, as it was impracticable to do so.

Cash flow statement

SERVICE CHARGES AND PROPERTY RATES, OTHER SERVICES

10. The municipality's service charges and property rates, other services in the current and prior year were not correctly prepared and disclosed as required Standards of *GRAP 2, Cash flow statements*. This was due to multiple errors in the calculations. I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so.

INTEREST RECEIVED FROM CURRENT AND NON-CURRENT ASSET

11. The municipality's interest received from current and non-current assets in the current and prior year were incorrectly disclosed due to multiple errors in the calculation which constitute a departure from *GRAP 2, Cash flow statement*. I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so.

Employee costs

12. The municipality's employee costs were incorrectly disclosed due to multiple errors in the calculation which constitute a departure from *GRAP 2, Cash flow statement*. Consequently, I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so.

Suppliers

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13. The municipality's suppliers in the current year and prior year were incorrectly disclosed due to multiple errors in the calculation which constitute a departure from *GRAP 2, Cash flow statement*. Consequently, I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so.

Purchase of property plant and equipment

14. The municipality's purchase of property plant and equipment in the current year and prior year were incorrectly disclosed due to multiple errors in the calculation which constitute a departure from GRAP 2, Cash flow statement. Consequently, I was not able to determine the full extent of the errors in the net cash flows from investing activities, as it was impracticable to do so.

Cash generated from operations

15. Cash generated from operations, note 43 to the financial statement was not correctly disclosed as various movements were not correct accounted for in the current year and prior year due to multiple errors in the calculations, which constitute a departure from GRAP 2, *Cash flow statement.* Consequently, I was not able to determine the full extent of the errors in the cash generated from operations, as it was impracticable to do so.

CONTEXT FOR OPINION

16. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

17. 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.

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

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

20. As disclosed in note 52 in the financial statements, which indicates that the municipality incurred a deficit of R358,90 million (2023-24: surplus of R72.63 million) during the year ended 30 June 2025, as of that date, the municipality's liabilities exceeded its assets by R 531,94 million (2023-24: R170,26 million). The municipality plans to address the cash flow shortages through enhanced revenue collection and a resultant consistency in the payment of creditors when they become due.

EMPHASIS OF MATTERS

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

MATERIAL LOSSES – ELECTRICITY

22. As disclosed in note 39 to the financial statements, material electricity losses of R144, 07 million (2023-24: R88, 35 million) was incurred.

MATERIAL LOSSES – WATER

23. As disclosed in note 39 to the financial statements, material water losses of R19.52 million (2023-24: R8,87 million) was incurred.

OTHER MATTER

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

UNAUDITED DISCLOSURE NOTES

25. 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

26. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

27. 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

28. 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.

29. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at pages 399 - 402, forms part of my auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

30. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance area presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

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

Key performance area	Page numbers	Purpose
Basic service delivery and infrastructure development	230 – 254	Provision of basic services (water 100%, sanitation 100%, electricity 100%, solid waste and roads 100%)

32. I evaluated the reported performance information for the key performance area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

33. I performed procedures to test whether:

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

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

35. The material findings on the reported performance information for the selected key performance area are as follows:

Basic service delivery and infrastructure

Various indicators

36. I could not determine the accuracy of various reported achievements, as the indicators were not well defined and I could not verify the methods and processes used to measure

the achievements. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.

Key performance indicators	Planned targets	Reported achievement
Percentage construction of 6km 11kv line between A Substation and Rooikoppen - Phase 1	50% completed designs on 11 KV line	Achieved. Construction @85%.
Number of streetlights repaired	400 streetlights repaired	353 streetlights repaired
Number of high mast lights repaired	20 high mast lights repaired	22 High Mast Lights repaired
Percentage households with refuse removal services	100% households with access to refuse removal service	100% households with access to refuse removal service
Percentage businesses with refuse removal services	100% of businesses with access to refuse removal service	100% of businesses with access to refuse removal service
Percentage construction of switching station at Rooikoppen - Phase 1	50% Construction of Switching Station at Rooikoppen. – Phase 1	Construction @ 55%.
Number of high mast lights installed	10 high mast lights installed	26 High mast lights installed
Number of lights on high masts and streetlights retrofitted with energy efficient lights	243 fittings replaced on high mast lights; 227 light fittings replaced on streetlights	243 fittings replaced on high mast lights; 227 light fittings replaced on streetlights
Percentage construction of 1 Cemetery	75% Cemetery constructed	Construction @ 79%.
% Emergency, fire and rescue services attended	100% Emergency, fire and rescue incidents attended	100% Emergency, fire and rescue incidents attended

Number of illegal dumping sites cleaned

37. An achievement of 12 illegal sites cleaned was reported against a target of 12 illegal sites cleaned. However, the audit evidence showed the actual achievement to be only 4 illegal dumping sites cleaned. Consequently, the target was not achieved.

Various indicators

38. Based on the audit evidence, the actual achievements for the below indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially less. Consequently, the targets were not achieved, the under achievements on the targets were more than reported and the achievements against the targets were lower than reported.

Key performance indicators	Planned targets	Reported achievement
Number of water leaks repaired	1000 water leaks repaired	1151 water leaks repaired
Number of VIP toilets installed	150 VIP toilets installed	165 VIP toilets installed

Various indicators

39. Measures aimed at improving performance against targets were reported. However, I could not determine if the measures were actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

Key performance indicators	Planned targets	Reported achievement	Reported measure
Square meters of potholes patched	10000 square meters of potholes patching	6820 square meters of potholes patched	Remaining m² will be included in the 2025/2026 FY targets, due to financial constraints and ageing roads infrastructure network, the municipality will also strengthen relations with other stakeholders such as (SANRAL, NDOT, PWR&T, GSDM) to assist with pothole patching
Number of water meters replaced	90 water meters replaced	88 water meters replaced	Management will establish a metering section that will focus on water

			metering and installation that is adequately resourced
Number of boreholes installed	3 boreholes installed 2 boreholes installed	3 boreholes installed 2 boreholes installed	Identify alternative site for drilling of new borehole

Missing indicator

40. In terms of the Water Service Act 108 of 1997, the municipality is responsible for complying with drinking Water Quality Standards to ensure that all consumers or potential consumers in its area of jurisdiction to progressively gain efficient, affordable, economical and sustainable access to water services. However, an indicator to measure performance on this responsibility was omitted from the approved planning documents. The municipality indicated that the reason for the omission was due to inadequate coordination between the technical water services unit, the Integrated Development Planning and the performance management units during the planning phase. Consequently, the achievement of this legislative mandate was not planned or accounted for, which is likely to result in it not being delivered and undermines transparency and accountability for delivery on mandate.

OTHER MATTERS

41. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

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

43. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual

performance report. The reasons for any underachievement of targets are included in the annual performance report on pages xx to xx.

BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Targets achieved: 79% Budget spent: 108.5%		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Number of water meters replaced	90 water meters replaced	88 water meters replaced
Number of boreholes installed	3 boreholes installed	2 boreholes installed
Number of streetlights repaired	400 streetlights repaired	353 streetlights repaired
Square meters of pothole patched	10 000 square meters of pothole patching	6820 square meters potholes patched
Percentage municipal fleet maintained	100% municipal fleet maintained	31% municipal fleet maintained

MATERIAL MISSTATEMENTS

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

REPORT ON COMPLIANCE WITH LEGISLATION

45. 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.

46. 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.

47. 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.

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

Annual financial statements

49. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current liabilities, revenue, expenditure, and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

50. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with supply chain management (SCM) prescripts.

51. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R168,24 million, as disclosed in note 55 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 incurred on late payments to suppliers.

52. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R156,23 million, as disclosed in note 54 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending on certain votes on the approved budget.

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

PROCUREMENT AND CONTRACT MANAGEMENT

54. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year.

CONSEQUENCE MANAGEMENT

55. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

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

Strategic planning and performance management

57. The performance management system and related controls were inadequate as it did not describe how the performance planning, monitoring, measurement, review, reporting and

improvement processes should be conducted and managed, as required by municipal planning and performance management regulation 7(1).

Asset management

58. An adequate management, accounting and information system which accounts for assets was in place, as required by section 63(2)(a) of the MFMA.

59. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

OTHER INFORMATION IN THE ANNUAL REPORT

60. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported in this auditor's report.

61. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

62. My responsibility is to read this other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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INTERNAL CONTROL DEFICIENCIES

64. 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.

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

66. The accounting officer and senior managers did not implement adequate processes and controls for recording, reviewing, and reporting to ensure credible, complete, and accurate financial and performance information. This resulted in recurring material misstatements in the financial statements and performance reports.

67. The performance management system and related controls were inadequate as they did not describe how the performance planning, monitoring, measurement, review, reporting and improvement processes should be organised and managed to ensure valid, accurate and complete performance reporting for some of the key performance indicators.

68. Non-compliance with legislation could have been mitigated if the municipality had adequate resources and capacity to monitor compliance effectively and ensure regular review by senior management. The lack of these controls contributed to the compliance matters noted, as well as instances of unauthorised, irregular, and fruitless and wasteful expenditure.

MATERIAL IRREGULARITIES

69. In accordance with the PAA and the material irregularity (MI) regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

MATERIAL IRREGULARITY IN PROGRESS

70. I identified other material irregularity during the audit and notified the accounting officer of these, as required by material irregularity regulation 3(2). By the date of this auditor's report, the responses of the accounting officer were not yet due. These material irregularities will be included in next year's auditor's report.

STATUS OF PREVIOUSLY REPORTED MATERIAL IRREGULARITIES

POLLUTION OF WATER RESOURCE NOT PREVENTED – STANDERTON WASTEWATER TREATMENT WORKS

71. The Standerton Wastewater Treatment Works has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewage into the adjacent environment, including groundwater and the Vaal River. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring as required by section 28(1) of the NEMA and section 19(1) of the NWA. The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resource.

72. The accounting officer was notified of this material irregularity on 24 November 2023 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity.

73. I referred the material irregularity to the Department of Water and Sanitation (DWS) on 14 April 2025 for investigation, as provided for in section 5(1A) of the PAA. The referral was accepted by the DWS on the same day, and the investigation is currently in progress.

POOR MANAGEMENT OF THE MORGENZON WASTE LANDFILL SITE

74. The municipality has been operating the Morgenzon waste landfill site without a valid licence or permit. A closure licence was issued to the municipality in the year 2016 to

restore and rehabilitate the site and surrounds. The Municipality has been operating the landfill site in a manner that is not in compliance with license conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control, Illegal waste dumping , uncontrolled / informal recyclers and animals roam the sites – with indication of daily living including housing structures and other makeshift facilities, no monitoring and sampling of surface / groundwater / gas monitoring, no control over water runoff or leachate management, no compacting/ covering of waste - windblown waste, burning of waste causing air pollution.

75. The municipality consequently did not dispose and treat waste in an environmentally sound manner that does not endanger health, or the environment as required by section 16(1) of the National Environmental Management Waste Act 59 of 2008. The municipality further did not take reasonable measures to prevent pollution or degradation from occurring, continuing or recurring as required by section 28(1) of NEMA. The municipality also did not ensure that any other situation exists, which causes, has caused or is likely to cause pollution of a water resource, must take all reasonable measures to prevent any such pollution from occurring, continuing, or recurring as required by section 19(1) of the NWA. The non-compliance is likely to cause substantial harm to the community members utilising the landfill site, the water resource and the communities adjacent to the landfill site.

76. The accounting officer was notified of this material irregularity on 24 November 2023 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity.

77. I referred the material irregularity to the Department of Forestry, Fisheries and the Environment (DFFE) on 14 April 2025 for investigation as provided for in section 5(1A) of the PAA. On 21 May 2025, DFFE sub-referred the material irregularity to the Mpumalanga Department of Agriculture, Rural Development, Land & Environmental Affairs (DARDLEA) for further investigation. The referral was accepted by DARDLEA on 30 July 2025, and the investigation is currently in progress.

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AUDITOR GENERAL

Mbombela

30 November 2025

1.7 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	Quarterly
2	Finalise the 4th quarter Report for 2024/2025 financial year	July 2025
3	Municipal entities submit draft annual reports to MM	N/A
4	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	August 2025
5	Submit draft 2024/2025 Annual Performance Report to Internal Audit	August 2025
6	Audit/Performance committee considers draft Annual Performance Report of municipality and entities (where relevant)	August 2025
7	Mayor tables the unaudited Annual Performance Report	31 August 2025
8	Municipality submits draft Annual Performance Report including consolidated annual financial statements to Auditor General	31 August 2025
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	November 2025
10	Auditor General audits Annual Performance Report including consolidated Annual Financial Statements	September – November 2025

Chapter 1

11	Municipalities receive and start to address the Auditor General's comments	January – February 2026
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	31st January 2026
13	Audited Annual Report is made public and representation is invited	February 2026
14	Oversight Committee (MPAC) assesses Annual Report	February - March 2026
15	Council adopts Oversight report	31st March 2026
16	Oversight report is made public	April 2026
17	Oversight report is submitted to relevant provincial councils	April 2026
18	Commencement of draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input into next planning phase	March/April 2026
		T 1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS:

Adherence to the above timelines remains critical towards ensuring sufficient time is allocated for achieving key milestones within the cyclical nature of municipal performance planning, reporting, analysis and review processes. This continuous loop is important to ensure that it allows for a process of reflection, by looking at the year under review as it then creates the space to inform planning for the next financial year's cycle of planning and budgeting processes. The alignment between the IDP, Budget and the Performance Management System for reporting and monitoring against predetermined objectives as dealt with in terms of the approved process plan is critical. An annual report project implementation plan is developed with clear deadlines and responsible persons assigned to ensure the timely completion of the 1st draft of the annual performance report to be submitted with the unaudited AFS by the end August annually. For the year under review, the unaudited annual financial statements and the annual performance report was submitted on time. The audit was completed and the final management report and audit report was presented to management and also to the Audit Committee on 28th November 2025, whereafter other processes unfolded in respect of the drafting of the audit action plan and the annual report with audited financial and performance information.

T 1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

This Chapter is composed of the following four components:

Component A: Political and Administrative Governance
Component B: Intergovernmental Relations
Component C: Public Accountability and Participation
Component D: Corporate Governance

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community. This component reflects on both the political and administrative structures of the Municipality.

T 2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

For the year under review, the Municipality had a number of key committees in place. The highest decision-making structure, being the municipal council held meetings throughout the year toward the facilitation of the administrative process of implementing programmes and projects as set out for the year in its IDP and SDBIP.

For the year under review, the executive leadership of the Municipality were comprised as follows:
(a) Members of the Mayoral Committee
- Councillor S. Mngemezulu (Executive Mayor)
- Councillor T. Motaung (MMC: Finance)
- Councillor S. W Masondo (MMC: Planning and Economic Development)
- Councillor D. Marago (MMC: Technical Services)
- Councillor M. Mthimkhulu (MMC: Corporate Services)

- Councillor M. Molaba (MMC: Community Services and Safety)

(b) The municipal council was under the leadership of Councillor P. C. Mahlaba as Speaker of Council. Councillor M. R. Motloung was the Whip of Council.

The Municipal Council also established both section 80 and 79 Committees to assist with the exercise of both executive and legislatively mandated functions and responsibilities. Council nominated Councillors to serve on the following committees of Council as listed below:

Councillors and Committees Allocated		
Council Members	Full Time / Part Time FT/PT	Committees Allocated
Municipal Public Account Committee (MPAC)		
D R Manana	FT	Chairperson
W Venter	PT	Member
J C Stoltz	PT	Member
N Selepe	PT	Member
D Bekker	PT	Member
S M Modise	PT	Member
M Radebe	PT	Member
S Ngqulunga	PT	Member
Rules, Ethics and Local Geographical Names Committee		
D J Nkutha	PT	Chairperson
S A Majozi	PT	Member
J C Stoltz	PT	Member
D Bekker	PT	Member
D J Msibi	PT	Member
Planning & Economic Development Oversight Committee		
S Ngqulunga	PT	Chairperson
M D Rakitla	PT	Member
D L Thabethe	PT	Member
P M Radebe	PT	Member

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G J Xulu	PT	Member
Technical Services Oversight Committee		
SA Tshabalala	PT	Chairperson
JD Nkutha	PT	Member
GJ Xulu	PT	Member
NC Nhlapo	PT	Member
DL Thabethe	PT	Member
Budget and Treasury Committee		
PM Radebe	PT	Chairperson
CAO Franco	PT	Member
SA Tshabalala	PT	Member
RS Tsotetsi	PT	Member
W Venter	PT	Member
By-laws & Policies		
W Venter	PT	Chairperson
SP Ngwenya	PT	Member
JD Nkutha	PT	Member
Tshabalala	PT	Member
D Msibi	PT	Member
Multi-party Women's Caucus		
Cllr M D Rakitla	PT	Chairperson
Cllr N Selepe	PT	Member
Cllr NC Nhlapo	PT	Member
Cllr SM Modise	PT	Member
Community Services and Safety oversight Committee		
Cllr SM Modise	PT	Chairperson
Cllr JC Stoltz	PT	Member
Cllr COA Franco	PT	Member
Cllr SA Silosini	PT	Member
Cllr DJ Msibi	PT	Member

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Cllr MD Rakitla	PT	Member
Corporate Services oversight Committee		
Cllr SP Ngwenya	PT	Chairperson
Cllr SA Majozi	PT	Member
Cllr MD Rakitla	PT	Member
Cllr D Bekker	PT	Member
Cllr DJ Nkutha	PT	Member

The political situation within the municipality has become more stable, with the established committees having been functional for the period under review.

The Municipality also has a functional Audit Committee (AC) that provides guidance throughout the year on recommendations on the financial processes and performance of the Municipality. The Audit Committee, also serves as the Performance Audit Committee (PAC) which acts as an independent oversight structure of Council.

T2.1.1

COUNCILLORS

The Lekwa Municipal Council consists of 30 Councillors, made up of 15 ward councillors and 15 proportional representative (PR) councillors. For the 2023/2024 financial year, the following was the composition of the municipal council:

	Male	Female
ANC	9	4
DA	3	1
EFF	1	2
LCF	5	1
FF Plus	1	1
ATM	0	1
Independent	1	0

Appendix A consists of the complete list of Councillors, which distinguishes between ward councillors and those appointed on a proportional representation basis, including the status as either full time or part time as councillors.

Chapter 2

Appendix B sets out the various established committees and their functions, which were established for the year under review.

T2.1.1

POLITICAL DECISION-TAKING

Decisions making took place at Mayoral Committee and Council sittings. For the period under review, it must be noted that with the newly elected Council in place, the functionality of the Municipal Council had stabilized with council meetings sitting as per schedule to fully exercise its legislative and oversight responsibilities as required. Council had 10 sittings for the year under review.
In order to further strengthen the reporting on and tracking of the implementation of Council resolutions, council resolution implementation and tracking is a standing item on the agenda of ordinary council sittings.

T 2.1.3

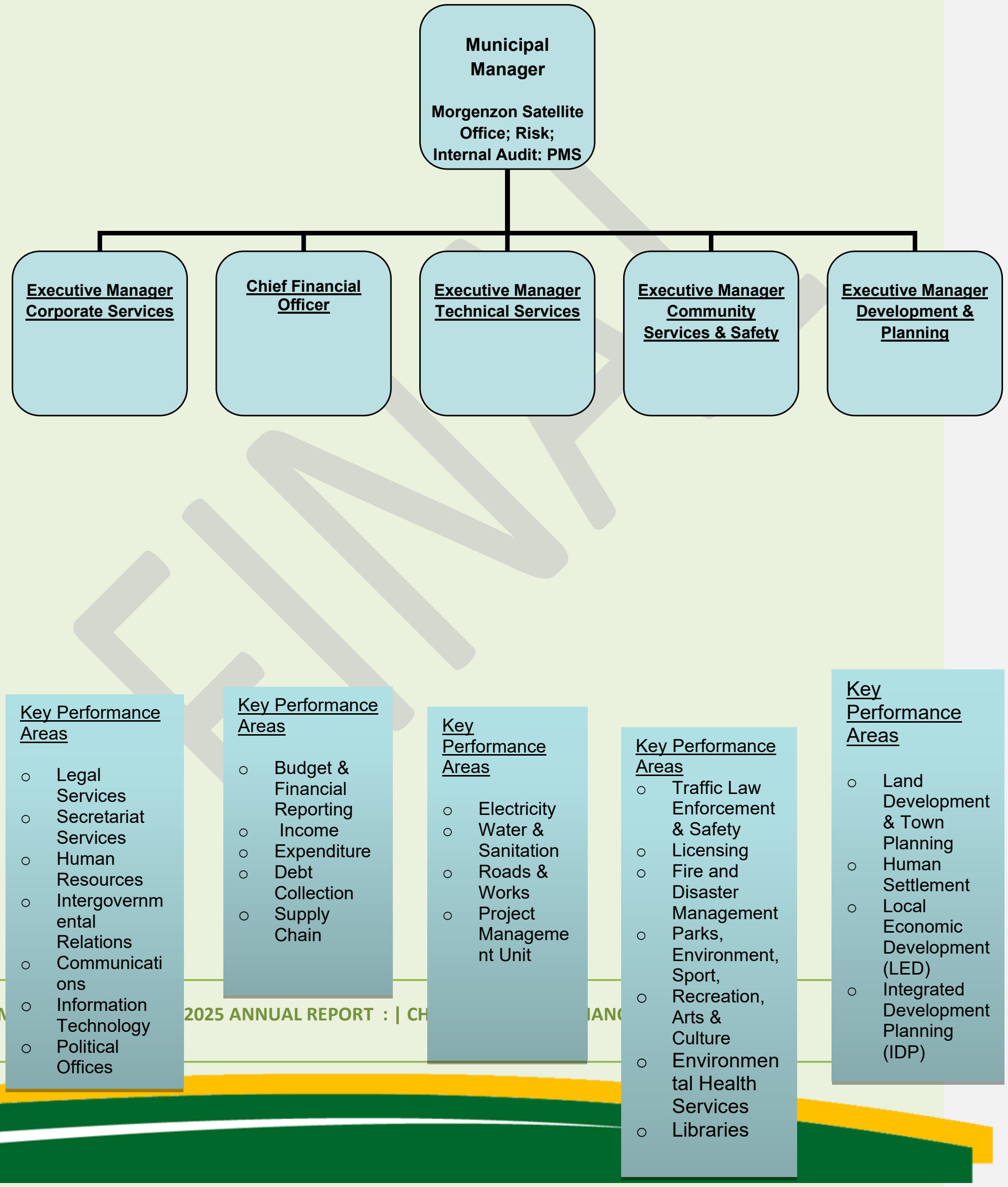
2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Section 60 (b) of the MFMA stipulates that the Municipal Manager of a municipality is the accounting officer of the municipality, and for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality. This chapter deals with the highest levels of administrative leadership.
For the year under review, all senior management positions were filled which has assisted in creating greater administrative stability.

T 2.2.1

Chapter 2



Municipal Manager
Morgenzon Satellite Office; Risk; Internal Audit: PMS
Executive Manager Corporate Services
Chief Financial Officer
Executive Manager Technical Services
Executive Manager Community Services & Safety
Executive Manager Development & Planning
Key Performance Areas
Legal Services
Secretariat Services
Human Resources
Intergovernmental Relations
Communications
Information Technology
Political Offices
Key Performance Areas
Budget & Financial Reporting
Income
Expenditure
Debt Collection
Supply Chain
Key Performance Areas
Electricity
Water & Sanitation
Roads & Works
Project Management Unit
Key Performance Areas
Traffic Law Enforcement & Safety
Licensing
Fire and Disaster Management
Parks, Environment, Sport, Recreation, Arts & Culture
Environmental Health Services
Libraries
Key Performance Areas
Land Development & Town Planning
Human Settlement
Local Economic Development (LED)
Integrated Development Planning (IDP)

Chapter 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS
Section 3 of the MSA requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance as envisaged in section 41 of the Constitution. This requires municipalities to establish and foster cooperative relations across all spheres of government, noting its interrelated yet independent nature.
T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES
The President's Coordinating Council (PCC) is the main coordinating body at national level. It consists of the President, the Deputy President, key Ministers, Premiers and the South African Local Government Association (SALGA). The PCC meets regularly to oversee the implementation of national policies and legislation, and to ensure that national, provincial and local development strategies are aligned to each other. At national level, each department has an Inter-Governmental Forum where Ministers meet with MECs and SALGA. These forums are called MinMECs and are also attended by heads of departments, as technical advisors. The purpose of MinMECs is to consult, coordinate implementation and align programmes at national and provincial level.
T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE
The Premier of the Province co-ordinate relationships between national, provincial and local government in the province through a Premier's Inter-governmental Forum (PIF) which consists of the Premier, the local government MEC, other MECs, Metro and District Mayors and other Mayors where necessary. The PIF meets regularly and consults on broad development in the province, as well as on the implementation of national and provincial policy and legislation, such as (i) The Mpumalanga Provincial Aids Council (MPAC);

(ii) The Mpumalanga Socio- Economic Consultation Council that seek to produce Socio Economic Review Outlook (SERO) Report for the province;
(iii) The Mpumalanga Arts and Culture Council (MACC);
(iv) Provincial Geographical Name Change Committee (PGNC)

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITITIES

For the year under review, the Municipality did not have any municipal entities under its control.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

The mechanism used at district level is through a number of district forums that includes the following:

- The Executive Mayor's Forum;
- The Municipal Manager's Forum;
- The District Aids Council;
- The District Communication Forum;
- The District Disability Forum;
- The District Sports Council; and
- The District Arts and Culture Forum
- The District Elderly People Forum
- The District Women Forum

LOCAL INTERGOVERNMENTAL STRUCTURES

The local forums include the following:

- The Local Aids Council
- The Local Disability Forum
- The Local Sports Council
- The Local Arts and Culture Forum
- The Local Elderly Forum
- The Local Women Forum

Chapter 2

A multisectoral approach remains an effective mechanism in ensuring a coordinated approach to address social ills confronted by the community championed by civil society sectors, the private sector and government departments.
More emphasis has been put on Gender Based Violence campaigns to fight this endemic scourge. The Local Aids Councils have now incorporated GBVF as a permanent agenda item with pledges being made by all stakeholders on the commitment to fight GBVF.

T 2.3.4

Chapter 2

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 17 (2) of the MSA requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1) also states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance, whilst section 18 (a) - (d) requires a municipality to supply its community with information concerning municipal governance, management and development. In line with the above, the Municipality has developed a system of participatory governance, management and development through the establishment of the following:

a) **Ward Committees** – establishment of ward committees with the purpose to enhancing participatory democracy in local government;

(b) **Community meetings** to discuss ward issues and report on matters raised;

As a legislative and democratic requirement at local level, ward committees are central to the effective community participation process. It should enhance the involvement in the affairs of the municipality in a collective and structured manner. Furthermore, to objectively achieve its public mandate and fulfil it in an inclusive manner, ward committees must work towards ensuring that community involvement in different development aspects within their locality to better the lives of its community in a non-partisan way is achieved. Community Development Workers (CDWs) are also deployed in the wards which can also assist in bringing other government services closer to the community.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Community participation is a fundamental principle that underpins the actions of democratic governance. According to the objects of local government as contained in Chapter 7, Section 152(e) of the Constitution, it is based on the understanding that communities must participate in all decision-making processes within local government on matters that affects them. It is for this reason that communities are encouraged to assist in building a sound and active partnership with the Municipality in order to fulfil the requirements of Section 152. This is done through the following:

a) Ward Committees and CDWs;
b) Mayoral Izimbizo (IDP and Budget consultation) and
c) Holding community meetings.

Communities are mobilised through the use of a loud hailing system, door-to-door distribution of notices, flyers and pamphlets to encourage their involvement during consultation and information sharing sessions. *T 2.4.1*

WARD COMMITTEES

Chapter 2

The Municipal Structures Act of 1998 and the Municipal Systems Act of 2000 provides the legislative framework for the establishment of Ward Committees to enhance participatory governance. Ward Committees were established in all 15 wards with the objectives to:

(a) Create formal communication channels and co-operative partnership between the Municipality and the communities within a Ward.

(b) Facilitate public participation in the process of development, review and implementation of the Integrated Development Plan of the Municipality.

(c) Acting as advisory bodies on Council policies and matters affecting communities in wards.

(d) Facilitate Council Programmes and make recommendations on matters affecting wards to the Ward Councillor;

(e) Express the needs and concerns of the residents within Wards.

(f) Identify development priorities within Wards through the involvement of ward residents and promoting accountability of the Municipality to the residents of every ward;

Ward Operational Plans were developed and approved by Council with all activities and programme of the wards implemented accordingly. A stipend is paid on a monthly basis to Ward Committee members, subject to the submission of monthly reports to the office of the Speaker, with issues identified in the wards, for further discussion at the Ward Councillors Forum. Quarterly reports are also submitted to Council on these activities as undertaken. Ward Committees were functional for the period under review.

T 2.4.2

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Public and community meetings generally convened to keep communities informed regarding service delivery matters and to provide a platform for the community to raise issues and give inputs for the development of the Municipality. This consultation and engagement process assists the Municipality to plan and budget according to identified and prioritized needs. In community meetings, the Municipality also uses the platform to continuously encourage the community to pay for services and to actively participate in the affairs of the municipality.

The community benefits by submitting their development needs to be catered for within a specific financial year in the IDP and budget. It also provides an opportunity to directly interact with municipal administration on issues affecting service delivery. Ward Committee Meetings took place during the year under review although there was a delay with the induction of the ward committee members. Meetings were convened according to times that suited particular communities. In respect of the numbers of people attending meetings, it differs from ward to ward due to venues that are not central, sometimes lack of transport and the public opting not to attend due to one or other reason. T 2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

Chapter 2

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Partially. Impact and outcome indicators are captured in the IDP strategic goals and objectives. Annually, the SDBIP includes input and output indicators
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 56 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	Partially. Alignment is in respect of outcomes relevant to local government mandate
** Section 26 Municipal Systems Act 2000*	*T 2.5.1*

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance broadly refers to the mechanisms, processes and relations by which institutions and corporations are controlled, managed and directed. Governance structures and principles identify the distribution of rights and responsibilities among different participants in an organization and includes the rules and procedures for making decisions in corporate affairs.

All the governance structures individually and collectively must cultivate characteristics such as integrity, competence, responsibility, accountability, fairness, transparency and exhibit them in their conduct to advance ethical leadership and corporate citizenship.

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

In terms of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003, section 62(1)(c) states that the Accounting Officer must ensure that the municipality has and maintains an effective, efficient, and transparent system of risk management. In compliance with this requirement, the Municipal Manager has appointed a Risk Management, Anti-Fraud and Anti-corruption Committee (RMAFACC) to advise the Municipality on risks that can affect the achievement of the strategic (IDP) and operational (SDBIP) objectives for the Municipality.

The Committee constitutes of section 56 senior managers that are directly accountable to the Municipal Manager. Furthermore, the RMAFACC is chaired by an external independent Chairperson. Meetings are convened every quarter, the reports compiled are submitted to the Municipal Manager, Audit Committee and Municipal Council with quarterly progress on risk, compliance, and fraud management. Moreover, Risk Champions are appointed as departmental representatives to assume the responsibility of assisting with the implementation of risk management, compliance, and fraud management activities in their respective departments. The Risk Champions hold monthly meetings, chaired by the Chief Risk Officer and report quarterly to the RMAFACC.

The following strategic risk documents were in place and approved by Council during the year under review:
Risk Management Policy
Risk Management Strategy
Risk Management Implementation Plan
Fraud Prevention Policy
Fraud Prevention Plan
Whistleblowing Policy
Private Work and Declaration of Interest Policy

Based on the constitutional mandate of the Municipality and the applicable regulatory requirements, the following risk registers were developed, implemented, monitored, and reported on to relevant oversight committees on a quarterly basis:
- Strategic Risk Register
- ICT Risk Register
- Fraud Risk Register

The Risk management process is comprehensive and meetings are held as per the approved schedule. The effectiveness of the RMAFACC is evaluated annually against predetermined objectives for risk management, noting that attempts are being made towards a more matured level as far as risk management best practices are concerned.

For the year under review, the Municipality conducted its assessments with Departments from the 2nd to the 10th May 2024. The draft Strategic Risk register was tabled to Top Management Manco on the 3rd June 2024. It was also tabled at the RMAFACC on 19th July 2024 and presented to Audit Committee on 26th July 2024.

The following were the identified strategic risks:

SR 1: Failure to sustain the current infrastructure and to provide additional required infrastructure (Maximum risk)
SR 2: Failure to provide needs for basic social, health and security services to the community (Medium risk)
SR 3: Municipal information lost and being misused (Maximum risk)
SR 4: Unskilled and insufficient human resources to achieve the municipality's operational and strategic objectives (High risk)
SR 5: Increased informal settlement and failure to provide land for business & recreational needs of the community (High risk)
SR 6: Misalignment between national and provincial housing allocation guidelines ((High risk)
SR 7: Increased levels of unemployment (High risk)
SR 8: Disruptions of the IDP budget consultations (High risk)
SR 9: Governance failure resulting in non-compliance to laws, policies, standards, best practices, and maladministration practices (Medium risk)
SR 10: Natural / Manmade /epidemics Disasters are not anticipated and planned for by the municipality (High risk)
SR 11: Expenditure commitment exceed available revenue (Maximum risk)
SR 12: Insufficient collections from revenue streams (Maximum risk)
SR 13: Receiving unfavourable audit opinion from AGSA (High risk)
SR 14: Inefficient contract management (Medium risk)
SR 15: Property vandalised, misuse of fleet, loss of assets (Medium risk)

In addition, the ICT and Fraud risk registers were reviewed, implemented, and monitored on a regular basis for the year.

In reality, the process of managing risks is inseparable from that of managing for success and within this context it is therefore not surprising that risk management is a central part of any organization's performance improvement initiatives. The 2024/2025 strategic risk assessment revealed the following risk levels:

Risk Magnitude	No of Risk per Magnitude	Percentage

Maximum Risk	4	27%
High Risk	7	46%
Medium Risk	4	27%
Low Risk	0	0%
Minimum Risk	0	0%
Total number of risks	15	100%

The above graph depicts the magnitude of risks identified from the strategic risk assessment conducted. From the strategic objectives identified as contained in the Municipality's IDP, risks classified as maximum were at 27%, areas of high risk were at 46%, with 27% risks identified at medium and zero low and minimum risk magnitude. Maximum and high risks are unacceptable and cannot be tolerated, therefore, action needs to be taken to reduce their impact. Management prioritized all the risks, especially those falling within the unacceptable risk appetite of Lekwa Local Municipality. Quarterly Risk Management meetings were held to report on and deal with the implementation of risk mitigation strategies. For the year under review, the risk mitigation plan has adequately reduced the risks that were identified as maximum and high. Some risks relating to service delivery were not reduced, mainly due to budgetary constraints.

It must be noted that with the appointment of senior managers, the effective management and reporting on risk mitigation has improved. The RMAFCC chaired by an independent, external Chairperson managed to attend to risk matters. The Internal Audit Unit used its professional judgment when evaluating and auditing the systems of internal controls for identified risks to ensure that such controls are effectively implemented, which also informed their three-year rolling risk-based internal audit plan.

T 2.6.1

2.7 ANTI-FRAUD AND ANTI-CORRUPTION

ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY

The primary responsibility for preventing and detecting fraud rests with management and those charged with governance. The MFMA and its regulations clearly stipulate that matters such as incurring unauthorized, irregular as well as fruitless and wasteful expenditure; the possible abuse of the SCM system (including fraud and improper conduct); and allegations of financial misconduct should be investigated and that disciplinary steps should be taken based on the results of the investigations.
As part of the anti-fraud and anti-corruption plan, awareness, workshops were conducted on an ongoing basis as part of raising awareness among employees and Councillors on matters relating to fraud and corruption. The availability of the Fraud Hotline is also communicated for the public to also have an opportunity to report any fraud or corruption.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

In terms of MFMA section 110 – 119 and the SCM Regulations of 2005 and other relevant MFMA circulars, its sets out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption. Section 217 of the Constitution and 112 of MFMA requires that a procurement system which is transparent ensures cost effectiveness equity, that must be competitive and fair.
The challenges in the supply chain management include broadly the high historical irregular expenditure that have not been concluded after the matter had been tabled to Council for further investigation. The expenditure has been reported to Council and is awaiting its outcome after the matter had been delegated to a committee of Council, the Municipal Public Accounts Committee (MPAC) for further investigation.

The Constitutional Court Judgement of the 16th February 2022 regarding the Preferential Procurement Regulations of 2017 had an adverse effect on the procurement process as some of the bids that were not responsive had to be readvertised. The Municipality could not proceed until such time that a request for exemption was approved in terms of PPFA 3 c and Section 2 (1) a, b and c and its regulations. This further delayed the implementation of some capital projects.

The Municipality introduced various systems to curb the increase in irregular expenditure. This includes but is not limited to the following:
1) Restructuring the Supply Chain Management Unit to be in line with the SCM Pillars
2) Introduction of Standard Operating Procedures (SoPs) and checklists to ensure adherence to SCM policies & Regulations
3) Establishment and appointment of Bid Committees in line with SCM Regulations
4) Introduction of Request for Quotes register
5) Introduction of contract management policy.

In respect of building capacity within the supply chain management unit, one official has enrolled for a SCM Higher Certificate with MANCOSA. In addition, Provincial Treasury has also committed to assist the municipality with training of BID Committee members including the SCM staff. It is also a requirement that SCM staff also on an annual basis complete financial disclosure forms.
The Municipality has developed Unauthorised Irregular Fruitless and Wasteful expenditure reduction strategy. The centralisation of the supply chain management function will further strengthen the managing of service providers as well as the procurement of goods and services.

T 2.8.1

2.9 BY-LAWS

By-laws Introduced during 2024/2025				
Developed	**Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)**	**Dates of Public Participation**	**By-Laws Gazetted* (Yes/No)**	**Date of Publication**
Municipal by-law relating to streets, public places and prevention of noise nuisance	Yes	18-24 June 2025	No	
Integrated Waste Management by-law	Yes	18-24 June 2025	No	
Integrated Waste Management Plan	Yes	18-24 June 2025	No	
Fire & Rescue by-law	Yes	18-24 June 2025	No	
Traffic by-law	Yes	18-24 June 2025	No	

*Note: See MSA section 13.	*T 2.9.1*

COMMENT ON BY-LAWS:

In line with section 11 (3) of the Municipal Systems Act 2000, municipal councils are given the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. The Municipality has developed various by-laws with a view to regulate and administer all affairs in the Municipality.

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**
Annual and adjustments budgets and all budget-related documents	Yes	30 May 2025
All 2024/2025 budget-related policies	Yes	30 May 2025
The 2023/2024 Annual Report	Yes	02 April 2025
The 2024/2025 Annual Report	Still to be published	After Council approval
All service delivery agreements for 2024/2025	Yes	02 July 2024
All 2024/2025 performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards	Yes	04 September 2024
All long-term borrowing contracts valid during 2024/2025	N/A	N/A
All supply chain management contracts above a prescribed value for 2024/2025	N/A	N/A
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	No	N/A
Contracts agreed in 2024/2025 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 done during 2024/2025	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2024/2025	Yes	Quarterly
Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.		

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The Municipality website has its own website as contemplated in section 21(b) of the Municipal Systems Act and all the documents mentioned in the table above have been uploaded on the website as directed by the Municipal Systems Act as well as the Municipal Finance Management Act.
The official website can be accessed on www.lekwalm.gov.za.

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

Public satisfaction surveys have not been conducted as a means to monitor the level of service provision by the Municipality to its communities. It must however be noted that over the past year, complaints and negative publicity received via the local newspaper, the Lekwa Facebook page and other social media platforms, it is evident that communities are dissatisfied with the level of services rendered. In order to ensure that the various service departments render effective and efficient services to the communities, Ward Committees through their ward operational plans, remain in touch with issues on the ground and with current community participation programmes further strengthening it. Interactions with communities through the Mayoral Izimbizo programme was resuscitated and both Ward Committees and Community Development Workers and community interactions has been ongoing.

T 2.11.1

COMMENT OF SATISFACTION SURVEYS

To support service delivery and promotion of access to our communities, the Municipality has procured the services of MUNSOFT which is responsible for deployment of Document Management System which contain various modules which includes amongst others the Customer Care System. Training has been conducted to the Supervisors at Technical Services including the frontline staff at Call-Centre which operates 24/7. In the spirit of co-operative governance, COGSTA has made a commitment to assist Municipalities in Mpumalanga in conducting community satisfaction surveys through the use of the GOVCHAT(iLivi Lemphakatsi Provincial Application) which is the complaints management tool designed to improve access and enhance service delivery. The Application contains functions to conduct the survey once the awareness campaigns are finalized, Provincial COGHSTA will provide support to Municipalities to automate and customize their surveys. The application can be downloaded on any cellphone network.

T 2.11.2.1

Chapter 2

COMMENT ON PUBLIC SATISFACTION LEVELS:

The Municipal Service Standards and Charter as well as the Customer Care Policy is in the process of being reviewed, and to be finalized in the 2025/2026 financial year. In order to create a platform where communities can voice their suggestions and complaints, suggestion boxes have been procured and placed at strategic points throughout the municipality and are e utilized for receiving suggestion and complaints from our consumers. Upon receipt they are then dispatched promptly to the relevant Departments and daily monitor their speedy resolution and provide feedback to customers.

T 2.11.2.2

Chapter 3

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

INTRODUCTION

The population of Lekwa has increased from 115 268 in 2011 to 140 970, according to StatsSA as further outlined in the Socio-Economic Review Outlook (SERO) report. It also indicates a decrease in informal settlement dwellings from 23.9% (7 414 in 2011) to 19.1% (7 129 in 2016). Noting the following levels of basic service provision for households, it is a clear indication that with the growing population, services must be upgraded and maintained commensurate with the said growth rate.

Proportion of Households with minimum level of Basic services

Service Delivery Area	2021/2022	2022/2023	2023/2024	2024/2025
Electricity service connections	91%	91%	93,8%	93,8%
Water - available within 200 m from dwelling	90%	94%	96%	93,7%
Sanitation - Households with at least VIP service	87%	87%	97%	97%
Waste collection - kerbside collection once a week	69%	69%	65,8%	77,7%

The challenges faced by the Municipality in respect of continuous, uninterrupted supply of water, electricity and refuse collection has been compounded by the current population growth and the further deterioration of infrastructure, without the commensurate regular repairs and maintenance being undertaken. With a clear mandate to focus on the priority areas of water, sanitation and electricity provision, the focus remained on trying to improve the provision of these services.
The following capital projects were completed in the year under review in order to address some of the basic service delivery challenges:

- Refurbishment of Standerton Water Treatment Plant
- Installation of boreholes
- Refurbishment of boreholes
- Upgrade of Standerton Water treatment works

This Chapter provides information per department and functional service delivery areas ranging from roads and transport, local economic development, town planning, human settlements, solid waste

Chapter 3

management, environmental health, safety and security and emergency services. A brief reference to service delivery performance in respect of the largest capital projects undertaken is included in **Appendix E**.

Critical to effective and sustainable service delivery is the need for a capacitated and skilled work force. With critical skills gaps having been identified, the workplace skills plan and relevant training programmes will be critical to deal with staff and skills shortages.

T 3.0.1

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

The 2024/2025 financial year continued to focus attention attending to service delivery challenges relating to infrastructure refurbishment and upgrade, by undertaking capital projects relating to water, sanitation, and electricity. It must however be noted that it included the conclusion of projects that were commenced in the 2023/2024 financial year.

The continued pressure on existing infrastructure as most of the bulk infrastructure is functioning at beyond its maximum capacity due to the expansion of especially residential developments without the commensurate upgrade and regular maintenance of existing infrastructure over the past few years, has placed additional strain on the infrastructure capacity.

The policy objectives as outlined in Chapter 3 is based on the service delivery targets set for the 2024/2025 financial year, in line with the approved SDBIP. The information as outlined, provide additional operational information as well as information that is in line with information contained in the chapter and Component K on organisational performance Report, in line with the Annual Performance Report (APR) which was prepared in terms of section 46 of the MSA, and submitted to the Auditor-General for auditing. Full details on the audited APR, is contained under Component K.

The Municipality does not have any entities under its management and a full list of functions of the Municipality are included in **Appendix C**.

T 3.1.0

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

The Municipality has identified and implemented the projects of the refurbishment of the Standerton and Morgenzon Water Treatment Plants in order to improve water supply to the community.

The following is the current status in respect of the water treatment plants within Lekwa:

AREA	STANDERTON AND SAKHILE	MORGENZON AND SIVUKILE
WATER DEMAND	45ML/day	3.9 ML/day
PREVIOUS DESIGN CAPACITY	37 ML/day	2.2ML/day
CURRENT DESIGN CAPACITY	37ML/day	2.2 ML/day
EXCESS/DEFICIT	Deficit of 5 ML/day	Deficit of 1.7ML/day

The following challenges has been identified in respect of water supply:

* Inconsistent water supply to high lying areas of Sivukile, Sakhile, Standerton Extensions 6, 7 and 8;
* The existing configuration of the Standerton water supply system is affecting the efficient and equitable supply of water due to low pressure in supplyinhigh lying areas.
* The bulk pumping mains from the Standerton Water Treatment Works to the 3 reservoirs are connected directly to the water reticulation network which supplies Standerton town areas resulting in the reservoirs not filling up during peak periods of sufficient water supply from the water treatment works. Newer areas which are connected to the reservoirs and are only supplied from the reservoirs do not always get water during peak periods and when the reservoirs are low.
* During the 2024/2025 financial year, the following water services related projects were implemented:
  - Installation of boreholes
  - Construction of Kieser Reservoir
  - upgrading of Standerton water treatement works

The backlog on a constant supply of piped water in the rural wards 9, 12, and 13 remains and continues to be serviced through water tankers. The Municipality depends on grants for the refurbishment and upgrade of water services and funds are insufficient to adequately address all such backlogs, thus the ministerial interventions and funding through the Department of Water and Sanitation.

The water demand of the Municipality is higher than the design capacity of the Standerton Water Treatment Plant. As a mitigation measure Goldi has applied and has been granted a water use license which will enable them to abstract water from the Vaal River. This will then ease the water demand from the Standerton Water Treatment Plant. The Municipality has been delivering water to the community in the high lying areas, informal settlements rural which do not have access to water utilising six water trucks. The Municipality through the assisstance of GSDM and DWS has commenced the upgrade of the Standerton Water Treatment Plants and related bulk infrastructure in order to address the water supply challenges. The Municipality also undertook the refurbishment of boreholes in the rural wards.

T3.1.1

Total Use of Water		
	Rand Value	Unaccounted water losses
2022/2023	37, 409, 075	69%
2023/2024	8, 866, 240	45%
2024/2025	19,520,000	58%
		T 3.1.2

COMMENT ON WATER USE:

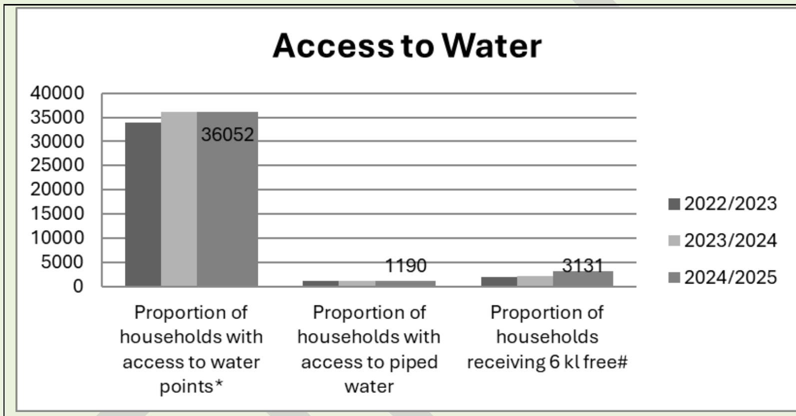
The extent of water losses are significant, noting the aging water infrastructure and insufficient maintenance of such infrastructure which has a direct impact on the increase in both technical and non-technical water losses. Another contributing factor is the supply of water through water tankers. The water tankers obtains water from municipal water sources, which forms part of indirect water losses.

T 3.1.2.2

Water Service Delivery Levels

Description	2020/2021 Actual No.	2021/2022 Actual No.	2022/2023 Actual No.	2024/2025 Actual No.
				Households
Water: **(above min level)**				
Piped water inside dwelling	33 833	33 833	33 833	36 052
Piped water inside yard (but not in dwelling)	0	0	0	0
Using public tap (within 200m from dwelling)	1 154	1 154	1 154	1 190
Other water supply (within 200m)				
Minimum Service Level and Above sub-total	34 987	34 987	34 987	37 242
Minimum Service Level and Above Percentage	94%	94%	94%	97%
Water: **(below min level)**				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling	1 687	1 687	1 687	1 687
No water supply	660	660	660	660
Below Minimum Service Level sub-total	2 347	2 347	2 347	2 347
Below Minimum Service Level Percentage	6%	6%	6%	6%

Total number of households*	**37 334**	**37 334**	**37 334**	**38 583**
** - To include informal settlements*				*T 3.1.3*



Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute
 # 6,000 liters of potable water supplied per formal connection per month *T 3.1.5*

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#
2022/2023	33947	1154	1884
2023/2024	36052	1190	2156
2024/2025	36052	1190	3131
			T 3.1.5

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
1	Number of water leaks repaired		1140 water leaks repaired (+140 variance)	Achieved	1000 water leaks repaired	1000 water leaks repaired	1151	Achieved		Progress reports
2	Number of water meters replaced		New KPI	New KPI	120 water meters replaced	90 water meters replaced	88	Not Achieved	Management will establish a metering section that will focus on water metering and installation that is adequately resourced	Progress reports
3	Number of boreholes installed		2 Boreholes installed	Achieved	3 boreholes installed	3 boreholes installed	2 boreholes installed	Not Achieved	Identify alternative site for drilling of new borehole	Progress Reports; Completion certificate; Signed Beneficiary happy letters

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
4	Number of boreholes refurbished		New KPI		6 boreholes refurbished	6 boreholes refurbished	16 boreholes refurbished	Achieved		Progress Reports; Completion certificate; Signed Beneficiary happy letters
5	Number of boreholes refurbished		New KPI		6 boreholes refurbished	6 boreholes refurbished	7 boreholes refurbished	Achieved		Progress Reports; Completion certificate; Signed Beneficiary happy letters

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Employees: Water Services					
Job Level	2023/2024	Year 2024/2025			
	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	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*
T3.1.7

Capital Expenditure Year 2024/2025: Water Services					
					R' 000
Capital Projects	Year 2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3233	3234	3234	0%	
Upgrading of Standerton Water Bulk System phase 2A: Construction of Kieser Reservoir and Pressure Tower.	406	165	165	-146%	36384
Refurbishment/Installation of boreholes in rural/farm areas	2827	3069	3069	8%	18367

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.
T 3.1.9

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COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The backlog remains on the supply of piped water in the informal. rural wards 9, 12, and 13 and sufficient budget was not available to address all backlogs, however there is an ongoing programme for the refurbishment of boreholes, other rural areas are also provided with water on an ongoing basis using water tankers.
The Municipality is the Water Services Authority, who depends on grants for the extension and provision of water services, but such funds are not adequate in addressing all backlogs and the complete refurbishment of existing water infrastructure.

T 3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Providing adequate sanitation facilities remains one of the major challenges towards basic service delivery, especially among poor and rural communities. Households that do not have access to adequate sanitation facilities may be using a bucket system or unimproved pit toilets. In addition, poorly designed or operated water-borne sewerage systems, especially in urban areas, if it fails or if it is inadequate, impacts on the health of communities. The negative impact on the environment can also be extremely serious, especially when raw sewage begins to spill into rivers and streams. Concerted efforts have been made to address these challenges as it can adversely affect communities and the environment at large. The provision of a basic level of household sanitation to mainly rural communities and informal settlements, as areas with the greatest need must be attended to and requires an environmentally sound approach to providing sanitation services and addressing the need to protect surface and ground water resources from sanitation pollution through integrated environmental management practices. Inadequate sanitation facilities and infrastructure combined with unhygienic practices represent South Africa's sanitation problem that must be addressed.
In addressing these challenges, the following sanitation projects were undertaken during the 2024/2025 financial year:

- Installation of VIP toilets
- Desludging of rural VIP toilets
- Upgrading of Rooikoppen internal sewer reticulation
- Upgrading of Johan, Stey, Vall and Muller pump stations
- Upgrading and remedial work of internal sewer services in Standerton Extension 8

T 3.2.1

Sanitation Service Delivery Levels *Households					
Description	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	Outcome	Outcome	Actual	Actual	
	No.	No.	No.	No.	
***<u>Sanitation/sewerage:</u>* (above minimum level)**					
Flush toilet (connected to sewerage)	32 001	32 001	32 00	35 257	35 257
Flush toilet (with septic tank)	293	293	293	493	493
Chemical toilet	0	0	0	0	0
Pit toilet (ventilated)	1 853	1 853	1 853	1587	1752
Other toilet provisions (above min.service level)	0	0	0		0
Minimum Service Level and Above sub-total	34 147	34 147	34 147	37 337	37 502
Minimum Service Level and Above Percentage	91%	91%	91%	**96%.**	
***<u>Sanitation/sewerage:</u>* (below minimum level)**					
Bucket toilet	–	–	–	0	0
Other toilet provisions (below min.service level)			1 864	622	

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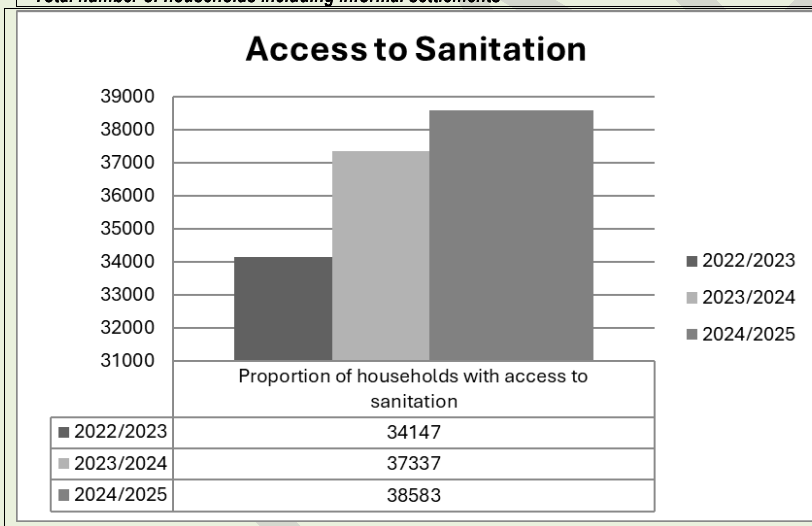
No toilet provisions	1 864 1 323	1 864 1 323	1 323	**624**	
Below Minimum Service Level sub-total	0	0	0		
Below Minimum Service Level Percentage	9%	9%	9%	4%	
Total households	**37 334**	**37 334**	**37 334**	**38 583**	**38 583**
Total number of households including informal settlements				*T 3.2.3*	



T 3.2.5

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Access to Sanitation	
	Proportion of households with access to sanitation
2022/2023	34147
2023/2024	37337
2024/2025	38583

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
6	Number of VIP toilets installed		100 VIP Toilets installed	Achieved	150 VIP toilets installed	150 VIP toilets installed	165 VIP toilets installed	Achieved		Progress Reports; Completion certificate; Signed Beneficiary happy letters
7	Number of VIP toilets desludged		New KPI		150 VIP toilets desludged	150 VIP toilets desludged	150	Achieved		Progress Reports; Completion certificate; Signed Beneficiary happy letters

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
8	Percentage sewer spillages attended		New KPI		100% sewer spillages attended	100% sewer spillages attended	100%	Achieved		Progress reports
9	Number of sewer pump stations inspected and maintained	KPI removed	New KPI		13 sewer pump station inspected and maintained	KPI Removed	KPI Removed	KPI Removed		Progress reports

Employees: Sanitation Services					
Job Level	2023/2024	Year 2024/2025			
	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	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.2.7*

Capital Expenditure Year 2024/2025: Sanitation Services					
					R' 000
Capital Projects	Year 2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2500	2500	2500	0%	
Installation/Refurbishment/Desludging or rural VIP toilets and provision of chemicals for the VIP toilets	2500	2500	2500	0%	30210

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.2.9*

Chapter 3

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:
Challenges relating to efficient sanitation service delivery can be addressed by means of the following strategic interventions: - facilitating the participation of communities to be fully involved in projects that relate to their health and well being; - promoting health and hygiene awareness and practices; - development and use of local resources - upgrading of existing facilities - adopting an integrated environmental management approach; - developing a common approach to implementation; and - undertaking specific programmes to clear the backlog. The projects as implemented during the 2024/2025 financial year has not dealt with the extent of the backlogs, but has been critical towards beginning to address these challenges. Understanding that sanitation provides dignity to human life, will also require that more sustainable solutions to sanitation services be considered, especially within rural areas, where septic tanks should be considered in future instead of the current VIP toilet systems.
T 3.2.10

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:
Challenges relating to efficient sanitation service delivery can be addressed by means of the following strategic interventions: * facilitating the participation of communities to be fully involved in projects that relate to their health and well being; * promoting health and hygiene awareness and practices; * development and use of local resources * upgrading of existing facilities * adopting an integrated environmental management approach; * developing a common approach to implementation; and * undertaking specific programmes to clear the backlog. The projects as implemented during the 2024/2025 financial year has not dealt with the extent of the backlogs, but has been critical towards to address these challenges, noting the intervention by the Department of Water and Sanitation.
T 3.2.10

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3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The Notified Maximum Demand (NMD) remains a challenge within the Municipality, which means that once the 55MVA maximum has been exceeded during any period, Eskom imposes penalties. The upgrading of the existing electricity network is a major priority since the network is ageing. The major challenges are distribution losses, illegal connections, meter bridging, breakdowns, service interruptions and limited capacity with the increased electricity demand. The upgrading of the entire electricity network still requires attention, noting especially the potential that it has to attract investors if consistent electricity supply can be provided.

T 3.3.1

Electricity Service Delivery Levels

				Households
Description	2021/2022	2022/2023	2023/2024	2024/2025
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: **(above minimum level)**				
Electricity (at least min.service level)	34,491	34,619	34,645	34,645
Electricity - prepaid (min.service level)	–	–	–	–
Minimum Service Level and Above sub-total	34,491	34,619	34,645	34,645
Minimum Service Level and Above Percentage	92%	93%	93%	93%
Energy: **(below minimum level)**				
Electricity (< min.service level)	2,843	2,715	2,689	2,689
Electricity - prepaid (< min. service level)	–	–	–	–
Other energy sources	–	–	–	–
Below Minimum Service Level sub-total	2,843	2,715	2,689	2,689
Below Minimum Service Level Percentage	7,6%	7,3%	7,2%	7,2%
Total number of households	37,334	37,334	37,334	37,334

T 3.3.3

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Total Use of Electricity		
	Rand Value	Unaccounted electricity losses
2022/2023	105,341,890	25%
2023/2024	88,350,878	17%
2024/2025	144,070,000	22%
		T 3.3.2

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
10	Percentage construction of switching station at Rooikoppen - Phase 1		New KPI		50% Construction of Switching Station at Rooikoppen. – Phase 1	50% Construction of Switching Station at Rooikoppen. – Phase 1	Construction @ 55%.	Achieved		Progress Reports; Completion certificate; Signed Beneficiary happy letters
11	Percentage construction of 6km 11kv line between A Substation and Rooikoppen - Phase 1		100% completed designs on 11 KV line	Achieved	50% Construction of 6km, 11kV line between A Substation and Rooikoppen.- Phase 1	50% Construction of 6km, 11kV line between A Substation and Rooikoppen.- Phase 1	Achieved. Construction @85%.	Achieved		Progress reports

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
12	Number of progress reports on application to Eskom for Notified Maximum Demand (NMD) upgrade		KPI Removed: 2023/24 FY	KPI Removed: 2023/24 FY	4 Progress reports of application to Eskom for NMD upgrade	4 Progress reports of application to Eskom for NMD upgrade	2 Progress reports submitted on application to Eskom for NMD upgrade	Not Achieved	Defer KPI for completion in 2025/26 financial year	Progress reports
13	Number of high mast lights installed		100% design and tender documentation for installation of high mast lights concluded	Achieved	10 high mast lights installed	10 high mast lights installed	26 High mast lights installed	Achieved		Progress reports

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
14	Number of street lights repaired		977 Street lights repaired (+577 variance)	Achieved	400 street lights repaired	400 street lights repaired	353 streetlights repaired	Not Achieved	Procurement of materials for street lights repairs for the 2025/26 FY	Progress reports
15	Number of high mast lights repaired		114 Highmast lights repaired (+94 variance)	Achieved	20 high mast lights repaired	20 high mast lights repaired	22 High Mast Lights repaired	Achieved		Progress reports

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
16	% high mast and street lights retrofitted with energy efficient lights	Number of lights on highmasts and street lights retrofitted with energy efficient lights	New KPI	New KPI	100% high mast lights and street lights retrofitted with energy efficient lights	243 fittings replaced on highmast lights; 227 light fittings replaced on street lights	243 lights on high masts retrofitted with energy efficient lights 227 lights on street lights retrofitted with energy efficient lights	Achieved		Progress reports; Completion certificate

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
17	Number of electricity meters installed		3128 Electricity meters installed (+3028 variance)	Achieved	100 electricity meters installed	100 electricity meters installed	534 electricity meters installed	Achieved		Progress reports

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
18	Number of EDMS strategy interventions implemented		Energy Efficiency and Demand Side Management (EEDSM) Strategy developed	Achieved	4 EEDMS strategy interventions implemented	4 EEDMS strategy interventions implemented	School competition awareness campaign on energy saving	Not Achieved	Defer KPI for completion in 2025/26 financial year	Quarterly report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
19	Number of electricity infrastructure rehabilitation interventions implemented		Electricity Maintenance Plan developed	Achieved	4 Electricity infrastructure rehabilitation interventions implemented	4 Electricity infrastructure rehabilitation interventions implemented	Electrical protection system at C SUB rehabilitated in Q1	Not Achieved	Fast track procurement processes to undertake repairs in 25/26 FY	Quarterly report

Employees: Electricity Services					
Job Level	2023/2024	Year 2024/2025			
	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	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

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

Capital Expenditure Year 2024/2025: Electricity Services					
					R' 000
Capital Projects	Year 2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	26184	41648	41648	37%	
Construction of switching station at Rooikoppen - Phase 1	10000	10688	10688	6%	17642
Construction of 6km 11kv line between A Substation and Rooikoppen - Phase 1	4620	10325	10325	55%	12543
Installation of 26 high masts lighting in Sakhile ext 8, Thuthukani, Sivukile and rural areas	7564	16635	16635	55%	19127
Retrofitting of High mast lights and street lights with energy efficient lights	4000	4000	4000	0%	4000

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.3.8*

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The capital project implemented was the phase 1 upgrade of A sub. Managing Eskom loadshedding received attention through the ongoing engagement with Eskom regarding the application on increased NMD.

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 waste management division renders waste management services within the municipality. The services rendered are waste collection (household and business), street cleaning, maintenance and operation of landfill sites, and clearing illegal dumping spots. Waste is collected in ten (10) wards, and the remaining three wards do not have the service due to insufficient resources.

Waste collection is divided into six zones: five zones for residential areas and one zone for businesses.
According to the 2022 census, Lekwa municipality has 38583 households, of which 31320 have access to the weekly waste collection schedule. Due to insufficient resources, waste is collected on weekends to provide residents equal access to services. Currently, the municipality has six waste collection trucks, which are insufficient to cover all areas during the week and extend the service to unserviced areas. Rural areas have no access to waste collection services.

On a daily basis, street-cleaning services are rendered within the Central Business District (CBD), open spaces and main entrances/exits through town. Due to resource and capacity constraints, street-cleaning services cannot currently be extended to all areas within Lekwa. The Community Works programme has also been utilised to clean identified areas.

The municipality has two landfill sites: Standerton, which is operational, and Morgenzon, which is closed and due for rehabilitation.

The following are critical challenges faced by the solid waste management division:

- Insufficient personnel in respect of solid waste management and street cleaning services;
- Inaccessibility of roads by refuse collection vehicles due to bad road conditions especially during rainy season;
- Refuse vehicles being used excessively due to limited number of vehicles, which shortens the lifespan of the vehicles, yet vehicles are insufficient to render services in all areas;
- The municipality is operating with six refuse collection trucks, while eleven refuse trucks are required to service all registered households and businesses.
- The extending of waste management services has not been realised due to limited resources;
- Littering and illegal dumping in all sections of Lekwa remains a challenge as the result of inconsistence waste removal;

T 3.4.1

Solid Waste Service Delivery Levels

				Households
Description	**2020/2021**	**2021/2022**	**2023/2024**	**2024/2025**
	Actual No.	**Actual No.**	**Actual No.**	**Actual No.**
Solid Waste Removal: **(Minimum level)**				
Removed at least once a week	25946	25946	31320	29980
Minimum Service Level and Above sub-total	25946	25946	31320	29980
Minimum Service Level and Above percentage	84,0%	85,4%	81.74%	77,7%
Solid Waste Removal: **(Below minimum level)**				
Removed less frequently than once a week	0	0	0	542
Using communal refuse dump	0	0	0	1550
Using own refuse dump	0	0	0	3218
Other rubbish disposal	0	0	0	114
No rubbish disposal	4419	4419	11388	2382
Below Minimum Service Level sub-total	4419	4419	11388	6816
Below Minimum Service Level percentage	18,5%	16,0%	14,6%	30,5%
Total number of households	**27761**	**27631**	**30365**	**37334**
				T 3.4.2

Chapter 3

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
26	Percentage of households with access to refuse removal		99% (-1 variance)	Not Achieved	100% households with access to refuse removal service	100% households with access to refuse removal service	100% households with access to refuse removal service	Achieved		Refuse removal report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
27	Percentage of businesses with access to refuse removal		99,5% (-0,50 variance)	Not Achieved	100% of businesses with access to refuse removal service	100% of businesses with access to refuse removal service	100% of businesses with access to refuse removal service	Achieved		Refuse removal report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
28	% Completed designs for Morgenzon landfill site rehabilitation		8% progress toward Morgenzon landfill site designs. Consultant appointed for designs.	Not Achieved	100% Completed designs for Morgenzon landfill site rehabilitation	100% Completed designs for Morgenzon landfill site rehabilitation	100% Completed designs for Morgenzon landfill site rehabilitation	Achieved		Advert, Tender document; Appointment letter; designs
29	Percentage construction of 1 Cemetery		New KPI	New KPI	75% Cemetery constructed	75% Cemetery constructed	Construction @ 79%	Achieved		Advert, Tender document; Appointment letter; designs

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
30	Number of illegal dumping sites cleaned		48 Illegal dumping sites cleaned (+42 variance)	Achieved	12 Illegal dumping sites cleaned	12 Illegal dumping sites cleaned	12 Illegal dumping sites cleaned	Achieved		Dumping site cleaning schedule; Quarterly report; Dated pictures

Chapter 3

Employees: Solid Waste Management Services					
Job Level	2023/2024	2024/2025			
	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	38	77	50	27	35%
7 - 9	8	13	10	3	23%
10 - 12	1	5	1	4	80 0%
13 - 15	1	2	1	1	50%
16 - 18	1	1	1	1	100%
19 - 20	0		0	0	0%
Total	62	98	62	36	36.7%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*
T3.4.5

Capital Expenditure Year 2024/2025: Waste Management Services R' 000					
Capital Projects	Year 2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	9395	745	745	-1161%	
Rehabilitation of Morgenzon Landfill site	9395	745	745	-1161%	9395

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

T 3.4.9

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The upgrading of the Standerton landfill site has been completed. The following were part of the upgrading scope:

1.Installation of 4221 metres clear view fence, access control, two high mast lights with solar panels for alternative energy
2.Construction of office block and ablution facilities
3.Supply and installation of 30-ton weighbridge
4.Drilling and equipping of two boreholes
5.Supply of water (jojo) tank and a metal stand

T 3.4.10

Chapter 3

3.5 HOUSING

INTRODUCTION TO HOUSING

The need for integrated residential housing programmes is evident in the ever-increasing number of informal settlements mushrooming especially along the periphery of Lekwa's residential areas within Sakhile and its extensions.

There is also still a noticeable increase in the number of residents who are in need of serviced residential stands. The need to acquire residential properties is in order to build houses for their families. There are also residents who fall within what is often referred to as the "gap housing market". These are residents who do not qualify to receive low-cost government subsidised houses (RDP) and often find it difficult to receive housing finance from financial institutions. The municipality has requested the Department of Human Settlements to service 500 residential stands in Standerton Ext.8 which some of them can be made available to people who may want to build houses for their families.

The Mpumalanga Department of Human Settlements did not allocate any new projects to the municipality for the 2024/2025 financial year, noting the outstanding completion of the residential (walk-ups) in Standerton Ext.8.

The project of transfer of ownership of RDP houses built in Standerton Ext.8 was successfully concluded with title deeds being handed over. Application has also been to made to receive outstanding title dees in order to be handed over to the owners.

The need for integrated residential housing programmes is evident from the ever-increasing mushrooming of informal settlements, especially along the periphery of Lekwa's residential areas within Sakhile and its extensions.

There is also still a noticeable increase in the number of residents who are in need of serviced residential stands. The need to acquire residential properties for individual development. There are also residents who fall within what is often referred to as the "gap housing market". These are residents who do not qualify to receive low cost government subsidised houses (RDP) and often find it difficult to receive housing finance from financial institutions. The municipality has requested the Department of Human Settlements to service 500 residential stands in Standerton Ext.8 which can also be made available for this purpose.

T 3.5.1

Percentage of households with access to basic housing

Chapter 3

Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2021/2022	37334	32695	87.1%
2022/2023	38583	34145	88.0%
2023/2024	38583	34145	88.0%
2024/2025	38583	34385	89,1%
			T 3.5.2

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
66	Number of housing beneficiaries registered(NHNR)		4 Reports (6523 beneficiaries)registered	Achieved	2500 beneficiaries registered	2500 beneficiaries registered	5422 Beneficiries registered	Achieved	N/A	Progress report and Data report (Excel)
67	Number of reports on title deeds issued to the rightful owners		3 Progress reports on 200 Title deeds transferred	Not Achieved	300 title deeds issued to rightful owners	300 title deeds issued to rightful owners	300 title deeds issued	Achieved	N/A	Progress Report and Happy letters
68	Number of beneficiaries educated on human settlements programmes		4 Human Settlements Awareness Campaigns	Achieved	1000 beneficiaries	1000 beneficiaries	1426	Achieved	N/A	Attendance register and report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
69	Number of reports on human settlements projects implemented		4 Reports	Achieved	4 Reports on human settlements projects implemented	4 Reports on human settlements projects implemented	4 reports submitted	Achieved	N/A	Progress reports
70	Number of reports on Land Invasion cases.		3 Land Invasion Reports	Not Achieved	4 progress reports on land invasion cases	4 progress reports on land invasion cases	4 reports submitted	Achieved	N/A	Reports on land invasion cases
71	Number of reports on informal settlements profiled		New KPI		4 informal settlements profiled	4 informal settlements profiled	4 Reports on informal settlements profiled	Achieved	N/A	Progress report and profiling of informal settlements

Chapter 3

Chapter 3

Employees: Housing Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	6	3	3	50%
4 - 6	1	2	1	2	100%
7 - 9	1	1	1	0	0%
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20					#DIV/0!
Total	9	13	9	5	38%

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

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The mandate in respect of the delivery of houses resides with the National and Provincial departments of Human Settlements, while the Municipality only plays a facilitating role by making land available and identifying potential beneficiaries as well as to ensure that necessary infrastructure is installed. The township of Standerton Ext.8 is facing a myriad of challenges. In as much the 1650 housing units that have been built are appreciated since they have provided a secured accommodation to 1650 families, the issue of the shoddy infrastructure and workmanship has become a blight to these projects. The inadequate water supply as well as sewer spillages are negatively affecting the residents. This is coupled with the unstable electricity supply due to inadequate electrical infrastructure.

Great effort has gone into ensuring that some of these matters are attended to. The Mpumalanga Department of Human Settlements has erected two sewer pumping units in this township. This will go a long way in alleviating the sanitation challenges. The Department of Energy has, through the INEP electrified all the RDP housing units in Standerton Ext.8. A switching station has also been erected.

The above gives hope that indeed a genuine effort is being made to attend to the matters that are of serious concern to the residents of this township.

T 3.5.7

Chapter 3

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Due to the level of unemployment and resultant inequality and high levels of poverty within the municipal area, there are households that are unable to pay for their municipal services. The Municipality therefore adopted an indigent management policy to ensure that these households have access to at least a basic level of municipal services. For the 2024/2025 financial year, 3131 households registered for indigent support. The Municipality held public awareness campaigns to encourage consumers to register for indigent support.

Qualifying indigent households with an earning threshold capped at R4400 per month was eligible to apply and qualify for an indigent subsidy that is funded for the equitable share as provided and allocated through the annual Division of Revenue Act (DORA).

An indigent household is defined, as a household where the total combined monthly household income does not exceed a predetermined amount per month, equivalent to two old age pensions' income.
This is determined annually for pensioners by the Department of Social Development. The allowance for free usage of electricity services is limited to 50 kilowatt unit hours per month and for water services of 6 kilolitres per month. Such qualifying indigent households must also have at least a 20 ampere circuit breaker with pre-paid electricity metering installed.
T 3.6.1

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R4,401 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2021/2022	37 334	33 334	1 884	6%	1 884	6%	1 884	6%	1 884	6%
2022/2023	48 108	48 108	2 156	4%	2 156	4%	2 156	4%	2 156	4%
2024/2025	48 108	48 108	3 131	7%	3 131	7%	3 131	7%	3 131	7%
										T 3.6.3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

Chapter 3

The Municipality provide basic services to indigent household within the municipal area. The total quantum for qualification for indigent support is R4400 total gross per household income per month. This is based on 50 KWA free electricity per month, 6 kilolitres free water per month. A rebate on the basic charge for refuse removal, sewerage and assessment rates per household, at the applicable rate per month is granted to qualifying and approved households.

There has been an increase in the number of registered indigents, but efforts will be stepped redoubled to increase the indigent registration process, considering the dire statistics of the unemployment and inequality rates within the Municipality. The indigent grant is a means to assist communities and consumers who cannot afford to pay for their municipal services, subsidised from the equitable share allocation.

T 3.6.6

COMPONENT B: ROAD TRANSPORT

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

INTRODUCTION TO ROAD TRANSPORT

Urban road transport infrastructure is facing many problems in South Africa. The Government acknowledges the challenges facing road transport and infrastructure. To this end, the drafting of new policy is underway which will eliminate or at least alleviate many of the problems being experienced. The Land Transport Act of 2000, the Land Transport Bill of 2008 and the 3 "way win" Strategy of 2006 which saw all three spheres of government working together to improve road infrastructure. Currently the South African Department of Transport is drawing up a National Transport Master Plan (NATMAP) intended to guide government policy up to 2050, some of the issues to be addressed by NATMAP includes the development of suitable facilities and road infrastructure to facilitate efficient transport services.

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

Implementation of the Pavement Management System for maintenance and upgrading of streets, and through the intervention of Gert Sibande District Municipality on the development of RAMS "Road Asset Management System", indicates that the Municipality has 422.9km of roads of which 237.6km is gravel and 157.7km paved or asphalt. The Municipality strives to eliminate all gravel roads, although with the assistance from other sectors department, such as Public Works Roads and Transport (DPWR&T) and SANRAL, main arterial roads were upgraded. This includes the Secunda (R546), Bethal Rd (R39), and the Standerton to Leandra (R50) road, including the R23 towards Greylingstad and Volkstrust. This will improve accessibility and drivability of these major routes through Standerton. The routes function as urban connectors for the various national roads passing through Standerton town. The scope of work entails repair and resurfacing of the existing pavement to restore the streets' structural and functional condition. With SANRAL's assistance, existing tar roads were resheeted, which involved removing the top layer of the existing tar road and replacing it with a new asphalt layer. It is a more intensive process than re-tarring because it ensures a completely new surface is laid down. This is done when the road has more significant wear and tear, but the base layer is still intact, which has extended the lifespan of the roads. Maintenance was done on the following road sections:

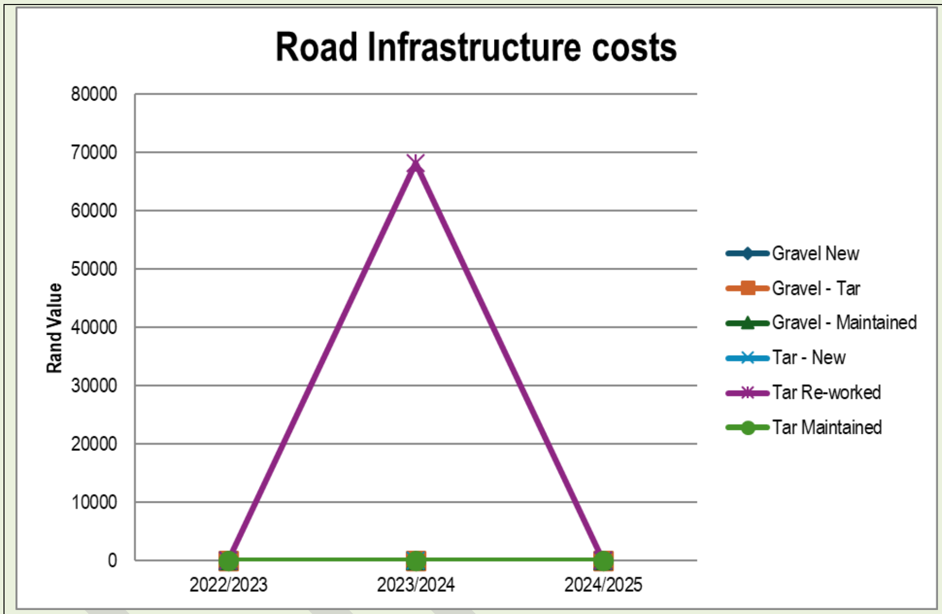
- Beyers Naude Street
- R546 (Walter Sisulu Drive)
- Krogh Street
- R546 (Vrede)
- R50 (Viljoen Road)
- R39 (Viljoen Road
- R38 (R39 intersection)

Although the Municipality is faced with many challenges on road maintenance due to budget constraints, ageing road infrastructure, an obsolete road maintenance fleet and constrained human resource capacity as vacant positions are not being filled. The Municipality undertook maintenance and blading of roads, assisted by the Gert Sibande District for pothole patching.

T 3.7.1

Tarred Road Infrastructure					
					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2022/2023	180	0	0	12 592m²	0
2023/2024	187	0	0	2	0
2024/2025	187	0	0	12	0
					T 3.7.3

Chapter 3



T 3.7.5

Chapter 3

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
20	Percentage rehabilitation of 1km of Vry Street	Meters of Vry Street rehabilitated	New KPI		100% rehabilitation of 1km of Vry Street	1000m of Vry Street rehabilitated	1000m of Vry Street rehabilitated	Achieved		Progress reports; Completion certificate
21	Number of progress reports for sourcing funds for rehabilitation of roads		New KPI		4 Progress reports on sourcing funds for rehabilitation of roads	4 Progress reports on sourcing funds for rehabilitation of roads	4 Progress reports on sourcing funds for rehabilitation of roads submitted	Achieved		Progress reports
22	Square meters of pothole patched		New KPI		10 000 square meters of pothole patching	10 000 square meters of pothole patching	6820 square meters potholes patched	Not Achieved	Remaining m² will included in the 2025/2026 FY targets, due to financial constraints and ageing roads infrastructure	Progress reports

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
									network, the municipality will also strengthen relations with other stakeholders such as (SANRAL, NDOT, PWR&T, GSDM) to assist with pothole patching	

Employees: Road Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	40	90	23	67	74%
13 - 15	10	16	0	16	100%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	51	107	24	83	78%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.7.7*

Capital Expenditure Year 2024/2025: Road Services					
					R' 000
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	11000	11000	11000	0%	
Rehabilitation of 1km Vry Street	11000	11000	11000	0%	11000

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.7.9*

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

Due to budgetary constraints and the reprioritisation of water and sanitation projects, the Municipality could not sufficiently maintain its roads infrastructure. This is evident in the gradual decline in spending on road infrastructure over the past years. In the 2023/24 financial year, with SANRAL's assistance, existing tar roads were resheeted. For the 2024/25 financial year 1km of Vry Street was reconstructed, It is a more intensive process than re-tarring because it ensures a completely new surface is laid down. This is done when the road has more significant wear and tear, but the base layer is still intact, which has extended the lifespan of the roads.

T 3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO LICENSING AND TRANSPORT

The Licensing section's main functions previously included the registering and licensing of vehicles and drivers for the purpose of maintaining order and legality on the road and to promote road safety in general. The section has been faced with challenges which include the following:

With the revenue generated from licensing not being paid over by the Municipality on a 20:80 basis to the Department of Safety, Security and Liaison as per the MoU, the service reverted back to the Department during the 2017/2018 financial year. This was preceded by extensive engagements at both provincial and municipal level. The Department is currently operating from the municipal premises and certain employees opted to be transferred whilst others preferred to remain with the Municipality and were accordingly placed.

With the service being transferred, no services under the component was rendered.

T 3.8.1

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

For the year under review, no capital projects were undertaken in respect of licensing and road transport as this activity was handed over to the Provincial Department. With the service having reverted back to the Department of Security, Safety and Liaison, the Municipality will no longer be reporting in respect of this component.

T 3.8.7

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Chapter 3

The implementation of the Municipality's Stormwater Master Plan by upgrading all natural streams and wetlands and maintenance of 170km of stormwater structures including catch pits has been hindered as a result of budgetary constraints the Municipality is facing, thus it is unable to meet its targets on the implementation of the Stormwater Master Plan.

T 3.9.1

Cost of Construction/Maintenance			
	Stormwater Measures		
	New	Upgraded	Maintained
2022/2023	0	0	0
2023/2024	0	0	0
2024/2025	0	0	0
			T 3.9.3

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

No capital funding was directed for upgrading of storm water structures in the 2024/2025 financial year and only operational activities were implemented which included the maintenance and cleaning of stormwater channels with the assistance of the Community Works Programme initiative.

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Town Planning, building regulation and enforcement unit deals with all matters relating to improved spatial planning. There were no major service delivery priorities undertaken for the year under review.

The Land & Planning Department deliver the following services to the community:
•**Building Control and Regulation** – All building plans are submitted to the unit and circulated to the Town Planning Unit & Fire Department. If compliant with the National Building Regulations & Land Use Scheme & Fire Regulations, it is approved by the Head of the Department. Regular inspections are carried out on all construction sites and where there are contraventions, the necessary letters are issued. The control over the Built environment, record keeping and inspections on construction sites is an ongoing key activity within the unit.
•**Outdoor Advertising** – All outdoor advertising is managed by this department. This includes temporary advertising signs such as auctions and real estate boards. All other outdoor advertising has been contracted out on a 3 year basis
Geomatics – This section deals with issues of land encroachment and the identification of stand boundaries as per the relevant Surveyor-General diagrams. Stands are re-pegged where required to avoid boundary disputes.
•**GIS -** This Department is also responsible for the Geographic Information System (GIS) which is the custodian of all the municipalities spatial data.

T 3.10

3.10 PLANNING

INTRODUCTION TO PLANNING
INTRODUCTION TO PLANNING AND DEVELOPMENT

The Town Planning unit together with Land and Planning Unit deals with all matters concerning Spatial Planning and land use Management.

The Town Planning Unit and the Land and Planning Unit delivers the Following Services to the community.

- **Building Control and Regulation** – All building plans are submitted to the unit and if compliant with the National Building Regulations, it is approved. Regular inspections are carried out on all construction sites and where there are contraventions, necessary letters are issued. Building plans and inspections on construction sites is an ongoing key activity within the unit.
- **Town Planning –** The Town Planning unit is responsible for the implementation of the SDF in and ensuring compliance of the land use scheme to realise the municipal spatial vision. This includes all land use changes and transgressions as well as the enforcement thereof. The unit also guides current and future development in Lekwa through the SDF in line with the National Development Plan SPLUMA. Currently a moratorium has been placed by council on land use change/ Rezoning applications that may have an impact on bulk infrastructure
- **Geomatics** – This section deals with issues of land encroachment and the identification of stand boundaries as per the relevant Surveyor-General diagrams and stands are repegged where required to avoid boundary disputes.
- **Geographic Information Systems** (GIS)- this function provides geographic data in terms of locations/space and tools used to analyse and visualise spatial data. The function was established recently and thus requires capacity.

T 3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships/township establishments		Rezoning		Other LUD applications	
	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025
Active matters in our applications register	2	2	21	5	19	19
Determination made in year of receipt	0	0	3	1	7	7
Determination made in following year	0	0	6	4	9	3
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	12	12	18	15
						T 3.10.2

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
72	Number of reports on township establishment		4 Reports	Achieved	4 Progress reports on 3 townships established (Morgenzon Ext 5, Sakhile Ext 7, Standerton Ext 11)	4 Progress reports on 3 townships established (Morgenzon Ext 5, Sakhile Ext 7, Standerton Ext 11)	Morgenzon Extension 5 Has been approved by MPT, Standerton Ext 11 is still on hold and Sakhile Extension 7 is still in progress.	Achieved	None	Quarterly report
73	Number of reports on development applications processed		4 Reports	Achieved	4 Reports on development applications processed	4 Reports on development applications processed	Applications are proceesed and approved as and when submitted	Achieved	None	Quarterly report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
74	Number of reports on implementation of Bulk Contribution Policy		4 Reports	Achieved	4 Reports on Implementation of Bulk Contribution Policy.	4 Reports on Implementation of Bulk Contribution Policy.	Bulk contribution is collected inline with signed agreements	Achieved	None	Quarterly report
75	Number of progress reports on review of Spatial Development Framework		4 Reports	Achieved	Review of Spatial Development Framework	Review of Spatial Development Framework	Service Provider has been appointed for the review of the SDF and Project has rolled over 25/26	Achieved	The project is at inception phase and is expected to run for a period of 10months	Quarterly report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
76	Number of reports on registration with Deeds Office of subdivided properties		New KPI		4 progress reports on registration with Deeds Office of subdivided properties	4 progress reports on registration with Deeds Office of subdivided properties	0 properties have registered with deeds	Not Achieved	Appoint service provider with relevant skills to undertake the project	Quarterly report
77	Number of progress reports on precinct plans developed		4 Reports	Achieved	4 Progress reports on development of 2 precinct plans for Sakhile - Tsotetsi Str &Hlongwane Drive	4 Progress reports on development of 2 precinct plans for Sakhile - Tsotetsi Str &Hlongwane Drive	Service provider has not been appointed	Not Achieved	Appointment of service provider and budget must be availed to allow for project commencement	Quarterly report

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
78	Number of reports of properties disposed		3 Reports	Not Achieved	4 Progress reports on 15 properties identified for disposal	4 Progress reports on 15 properties identified for disposal	33 Municipal properties were earmarked for disposal via a public tender, advertised 2024-09-01 and closed 2024-10-28.	Achieved	N/A	Quarterly report
79	Number of reports on lease agreements concluded		4 Reports	Achieved	4 Progress Reports on Leased Properties	4 Progress Reports on Leased Properties	45 Municipal properties leased with a total income generated in 2024-25 of R2 880 000	Achieved	N/A	Quarterly report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
80	Number of reports on regional cemeteries established		4 Reports	Achieved	4 progress reports on the establishment of 1 regional cemetery - Standerton	4 progress reports on the establishment of 1 regional cemetery - Standerton	4 progress reports on the establishment of 1 regional cemetery - Standerton	Achieved	Resolve objection, then project will conclude and budget spent	Quarterly report
81	Number of reports on building plans approved within 30 days		75 Building Plans approved	Achieved	50 Building Plans Approved within 30 Days	50 Building Plans Approved within 30 Days	95 Building plans approved within 30 days	Achieved	N/A	Quarterly report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
82	Number of reports on managing outdoor advertising		Outdoor advertising managed	Achieved	Management of outdoor advertising	Management of outdoor advertising	4 Reports on managing outdoor advertising	Achieved	N/A	Quarterly report
83	Number of reports relocation of informal settlements		4 Reports	Achieved	4 Progress reports on 1 informal settlement relocated from Enkanini Camp; Mamsy Village	4 Progress reports on 1 informal settlement relocated from Enkanini Camp; Mamsy Village	4 Progress reports on 1 informal settlement relocated from Enkanini Camp; Mamsy Village	Achieved	This project is being delayed by the slow progress made at the Surveyor-General's Offices in Nelspruit. The service provider is engaging them on the approval of the diagrams on a weekly basis. Once approval	Quarterly report

Chapter 3

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
									from Surveyor-General has been granted, the application will be lodged with the Registrar of Deeds for conclusion.	

Chapter 3

Employees: Planning Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
TG16	5	5	4	1	25%
TG14	2	3	3	0	0%
TG13	4	10	4	6	60%
TG12	2	2	2	0	0%
TG11	4	4	3	1	25%
TG10	1	1	1	1	0%
TG09	1	1	1	1	0%
TG08	0	0	0	0	0%
TG07	3	6	1	5	83%
Total	22	32	19	15	46.9%

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

Capital Expenditure 2024/2025: Planning Services					
					R'
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3,433,696	3,433,696	1,201,792	-186%	
Thuthukani regional cemetery	858,424	858,424	300,448	-186%	858,424

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.10.6*

Chapter 3

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

With the ever-increasing demand for land required for both residential, commercial and mixed used residential development, there has been a dramatic increase over the last few years. The densification of urban areas has put a strain on available bulk infrastructure supply and this must be balanced against the investment and local economic growth opportunities that can be created through such developments. With the Spatial Development Framework in place and with the Land Use Management System, the future spatial planning and integrated development planning will see much more integrated well-structured development nodes.
Since the Lekwa SDF was adopted. Spatial Planning and Land Use Management Act (SPLUMA), the following actions listed in the Implementation Framework has been achieved:
1) Approval of SDF
2) The SDF was incorporated into the Lekwa IDP
3) A Land Use Management System has been compiled by National Government and was adopted in November 2020
4) Council has introduced a Performance Management System as required by the Municipal Systems Act of 2000
5) Standerton Extension 8 was established and will be the first mixed income housing development in Lekwa.
6) The following by-laws are in draft format and has been distributed for comments: Open Space Plan, Urban Edge Policy and Encroachment Policy
7) In line with SPLUMA, a Spatial Planning and Land Use Management by-law was developed and adopted by Council
8) At district level, a Joint Municipal Planning Tribunal (JMPT) has been established to deal with the land use and development applications classified under Category B in terms of SPLUMA
9) The Municipality conducted a Land Audit to guide Council regarding the alienation of properties under the area of jurisdiction within Lekwa.

The following are challenges faced by the unit:
1) The enforcement of the Town Planning Scheme, National Building Regulations and dealing with such related transgressions are not effective. This is mainly due to the minimal fines that are currently in place that may be imposed. It is suggested that the penalties for transgressions be of such a magnitude that it will discourage anyone from not complying with all legislation. The said penalties were approved by Council
2) Council informed the public, in the past via the local papers, regarding all legislation related to building control and land uses. This exercise of educating the community should be done on a regular basis.
3) Town Planning and Land & Planning unit should also be in equipped with of a “Law Enforcement Officers”/ land use inspectors accreditation status to assist them with their daily duties to deal with transgressions.

4) The fact that this Department is not prioritised when capital funds are allocated via the budget makes it impossible to address issues mentioned in the implementation framework of the Lekwa SDF.
5) Currently the Municipality does not have a fully functional GIS in operation. It is currently being addressed via the SLA between Council and the Gert Sibande District Municipality.
6) With the implementation of SPLUMA and the wall-to-wall land use scheme for Lekwa, the need of land use inspectors will become critical. There is some improvement with the capacitating the unit. A fully function has enabled the unit to attend to land use management as well as to reduce illegal land invasions and pressure on overloaded infrastructure.
7) There is a huge demand for stands for Residential, Business and Church stands.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Local Economic Development (LED) within Municipality, is established to fulfil the constitutional as required by section 152 (c) of the constitution of Republic of South Africa Act 108 of 1996, this section compels Local Government to promote Social and economic development, The Municipality is expect to create a conducive environment for economic Growth. The Collaboration between Lekwa and other social Partners had made a difference in creating a conducive environment, however it worth mentioning that a lot need to be done in order attract new investment and support the existing investors to support Local economic Growth.

T 3.11.1

Census 2011		**Community survey by Stats SA 2016**	
Poverty Headcount	Intensity of Poverty	Poverty Headcount	Intensity of Poverty
4,5%	41,5%	5,0%	42,8%
UNEMPLOYMENT RATE AS PER STATS SA CENSUS 2011			
• Unemployment rate 25.7%			
• Youth unemployment rate 38.8%			
UNEMPLOYMENT RATE HOUSEHOLD SURVEY 2016			
• Unemployment rate 27.5%			
• Youth unemployment rate 57.8%			

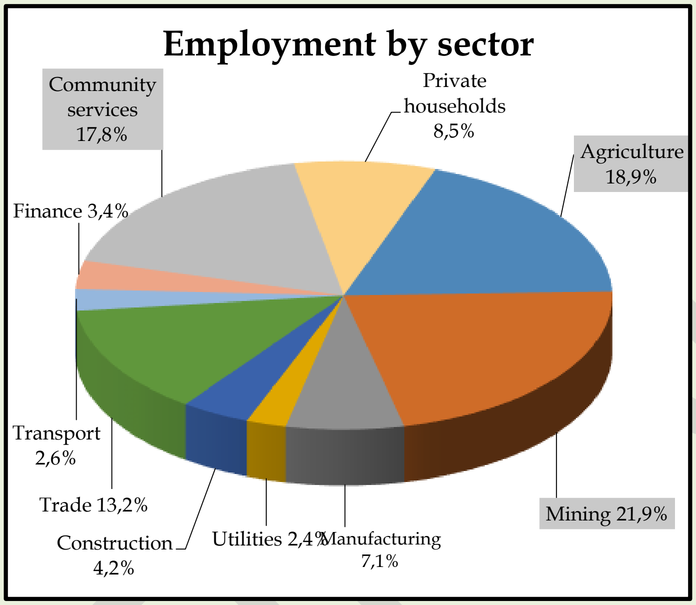
Chapter 3

Economic Activity by Sector		
Sector	**2023/2024**	**2024/2025**
Agriculture	23.3%	24.1%
Mining	16.1%	11.4%
Manufacturing	9.3%	10.2%
Utilities	28.9%	28.9%
Construction	12.2%	12.5%
Trade	13.6%	14.4%
Transport	12.1%	12.7%
Finance	14.1%	14.4%
Community services	13.3%	13.8%

The municipality's dominant contributions to Gert Sibande's economy includes utilities (28.9%) (mainly electricity), & agriculture industries (24.1%), with substantial contributions to finance (14.4%), trade (14.1%), & community services (13.8%).

Chapter 3

- Lekwa holds comparative advantages in agriculture, mining, and utilities



COMMENT ON LOCAL JOB OPPORTUNITIES

Unemployment remains a serious concern for South Africa as a whole as well as for Lekwa Municipality, creation of job opportunities is a priority for the Municipality and all other social partners, the Municipality had facilitated creation of job opportunities, the construction of R23 road within Lekwa contribute on job creation, the implementation of Community Works project (CWP) and Siyathuthuka Project also made an impact on job creation for the community of Lekwa.

In 2021, 25.7% of the employed worked in the trade industry. According to Stats SA, the trade industry comprises of wholesale, motor, accommodation, food, and beverages (i.e., restaurants and catering), and retail. This means that most economic activity within the municipality is related to goods rather than services. The mining industry only employs approximately 2.3% of people in Lekwa LM.

The Implementation of Social labour Plan (SLP) projects by both Seriti Coal and Sasol Mining contributed on job opportunities; the on-going Maintenance of Tutuka Power Station and Sasol had created temporary work opportunities for the Community of Lekwa .

T 3.11.4

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
84	Number of reports on implementation of agricultural development strategy		4 Reports	Achieved	4 Reports on implementation of agricultural development strategy.	4 Reports on implementation of agricultural development strategy.	4 Reports on implementation of agricultural development strategy.	Achieved		Quarterly report
85	Number of reports on implementation of tourism development strategy		3 Reports	Not Achieved	4 Reports on implementation of tourism development strategy.	4 Reports on implementation of tourism development strategy.	4 Reports on implementation of tourism development strategy.	Achieved		Quarterly report
86	Number of SMMEs supported through with training interventions		50 SMMEs supported	Achieved	50 SMMEs supported through training interventions	50 SMMEs supported through training interventions	86 SMMEs supported through training interventions	Achieved	N/A	Progress Reports; Attendance Registers

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
87	Number of LED Forums convened	Number of reports on LED Forum activities	0 LED Forum meetings	Not Achieved	4 LED Forums convened	2 Reports on LED Forum activities	1 LED Forum convened	Not Achieved	LED Forums will be held per sector to avoid disruptions	LED Forum Agenda; Minutes; Attendance registers
88	Economic Development Summit held by 30 June 2025		Economic Summit not held	Not Achieved	1 Economic Development Summit.	1 Economic Development Summit.	1 Executive Mayoral Unemployment Dialogue held in Q4	Achieved		Economic Development Summit Close-out report; Minutes; Attendance register

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Employees: Local Economic Development Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	0	0	0	#DIV/0!
7 - 9	0	0	0	0	#DIV/0!
10 - 12	0	0	0	0	#DIV/0!
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	#DIV/0!
Total	2	2	2	0	0%

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

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Lekwa Local Municipality was able to achieve the following:

- Local Business indaba was held successfully
- Business licensing policy was developed and implemented
- Agricultural development strategy was developed
- Tourism Development Strategy was develop
- Training intervention were provided to local SMMEs
- Local Economic Development forum was launched
- Enterprise Development was provided to local SMME through Siyathuthuka enterprise development programme.
- Various Social Labour Projects were implemented by the two mining companies(Sasol & Seriti)
- Work opportunities were created through Community works project (CWP) and Siyathuthuka

T 3.11.11

Chapter 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

3.12 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Lekwa Local Municipality through an Affiliation Agreement entered into with Mpumalanga Department of Culture, Sports and Recreation provides library and information services. The aim of the public library services is to provide an opportunity for a lifelong reading, education and development of individuals and groups within the community.

This service is provided by Lekwa Local Municipality through five Public Libraries namely:Standerton Public Library, Sakhile Public Library, Morgenzon Public Library, Stanwest Public Library and Thuthukani Public Library

Lekwa Public Libraries bridge the gap in the community between the rich and the poor by providing free access to computers, free internet connectivity through (WI-FI), and free access to digital resources.
This access to information and technology ensures that everyone has the opportunity to benefit from the Fourth Industrial Revolution.

Lekwa Public Libraries are strategically positioned to bring service near the community and are visible and easily accessible to all members of the public.
Sakhile Public Library has a Mini-Lib for the Blind that ensures that library services are available and accessible to the blind and visually impaired members of the community.
The floor in the library is divided according to book shelves and books are classified into fiction and non-fiction to cater for the Children and Adult members of the community.
In order to improve access and create library awareness we carry out numbers of library promotions as per the calendar of events such as South African Library Week, World Book Day, International Literacy Day etc.

T3.12.1

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
36	Number of library promotions conducted		4 Library promotions conducted	Achieved	4 library promotions conducted	4 library promotions conducted	4 Library promotions conducted	Achieved		Dated pictures; Attendance registers

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	2023/2024	2024/2025			
	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	2	2	2	1	13%
10 – 12	4	4	4	1	7%
13 – 15	22	22	22	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	31	31	31	3	3%

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

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Performance of the library and information services of Lekwa Local Municipality has continued to impact the lives of the community during the year 2024/25. The use of libraries is relevant in the 4th Industrial Revolution (4IR), libraries are in a position to cater for all users according to their needs which include those who are more interested in eBooks and usage of search engines where libraries provide Free WIFI and Computer access for the users to access those services. Library awareness campaigns and exhibitions are conducted to promote libraries especially targeting calendar of events where members are reminded of the meaning and importance of such events. The Provincial Department of Culture, Sport and Recreation has also added a Mini-Lib for the Blind at Sakhile Public Library to assist those who are living with disabilities to access library services. The support is in accordance with the Affiliation Agreement entered into between Lekwa Local Municipality and Mpumalanga Department of Culture, Sports and Recreation.

The book clubs and friends of the library are gradually introduced in all our public libraries. Local primary and high schools are participating in reading, book reviews and spelling bee competitions. The aim is to instill a culture of reading and improved literacy, while also promoting South Africa's language diversity to encourages citizens to read, write, converse and value ideas and thoughts of others. Department of Culture, Sport and Recreation has also added a Mini-Lib for the Blind at Sakhile Public Library to assist those who are living with disabilities to access library services. The support is in accordance with the Affiliation Agreement entered into between Lekwa Local Municipality and Mpumalanga Department of Culture, Sports and Recreation.

T 3.12.7

3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS
Lekwa Local Municipality (MP305) provides cemetery services to the communities of Standerton, Sakhile, Morgenzon and Thuthukani. The municipality is focused on enhancing maintenance standards and ensuring long-term burial capacity across its facilities. South Africa's growing urbanization is having a negative influence on local municipalities' ability to deliver appropriate social services to all inhabitants. Lekwa Local Municipality, with its location and mineral wealth, is no exception to these migration tendencies. The town's population is predicted to be expanding at a rate of about 2% each year. The competing demand for human settlements significantly outweighs the requirement and urgency to supply burial grounds within the municipal urban limit. The municipality has developed 1.5-hectare cemetery in Thuthukani.Lekwa Municipality has 13 cemeteries, two of which are active and eleven of which are inactive. One crematorium is not operating. This will boost available capacity by providing extra burial locations. Each year, around 288 persons are buried in all municipal cemeteries. The municipality must investigate the potential of obtaining investment in a crematorium and locating land for a regional cemetery. There are hints that cultural constraints are disappearing as people become increasingly urbanized and open-minded about cremation. Walter Sisulu cemetery is running out of burial space, alternative burial site is needed to augment the Walter Sisulu cemetery.
T 3.13.1

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
29	Percentage construction of 1 Cemetery		New KPI	New KPI	75% Cemetery constructed	75% Cemetery constructed	Construction @ 79%	Achieved		Advert, Tender document; Appointment letter; designs
34	Number of cemeteries maintained		7 Cemeteries maintained (+3 variance)	Achieved	12 Cemeteries maintained	12 Cemeteries maintained	12 Cemeteries	Achieved	None	Quarterly report

Employees: Cemeteries and Crematoriums					
Job Level	2023/2024	2024/2025			
	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	15	1	15	1	6.25%
7 - 9	6	8	5	3	50%
10 - 12	1	2	1	1	50%
13 - 15	1	2	1	1	1%
16 - 18	1	1	1	1	100%
19 - 20	0	0	0	0	0%
Total	55	49	7	9	10%

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

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

The burial space currently available within the Municipality is depleting at a rate much faster than anticipated and projected. The current crisis of limited burial space will require the identification of additional burial space which will be finalized in the 2025/2026 financial year, with progress well underway towards establishing additional burial space. The Municipality is facing resistance from the members of the community in using the new cemetery in Sakhile Extension 4, Rooikoppen that have been fenced and made ready for operation.

T 3.13.7

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Chapter 3

Within the Community Services and Safety Department, the Transversal unit has been responsible for implementing social programmes focusing on children, the aged and persons with disabilities. These social programmes are aimed at specific target groups, through a number of projects throughout the year. Another focus area is also to embark on the gender-based violence programme through awareness. The section has developed the quarterly targets aiming at reaching the various focus groups.

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
122	Number of Gender Based Violence Campaigns conducted		4 Anti gender-based Violence Campaigns conducted	Achieved	4 GBV Campaigns conducted	4 GBV Campaigns conducted	4 GBV Campaigns conducted	Achieved		Notice; Agenda; Minutes & Attendance register
123	Number of Local Anti-Drug Action Committee meetings		New KPI		4 Local Anti-Drug Action Committee meetings	4 Local Anti-Drug Action Committee meetings	4 Local Anti-Drug Action Committee meetings	Achieved		Notice; Agenda; Minutes & Attendance register
124	Number of HIV/AIDS Campaigns conducted		4 Reports on implementation of HIV/Aids plan	Achieved	4 HIV/AIDS Campaigns conducted	4 HIV/AIDS Campaigns conducted	4 HIV/AIDS Campaigns conducted	Achieved		Notice; Agenda; Minutes & Attendance register
125	Number of Women Forum meetings held		4 Women's forum meetings held	Achieved	4 Women Forum Meetings held	4 Women Forum Meetings held	4 Women Forum Meetings held	Achieved		Notice; Agenda; Minutes & Attendance register

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
126	Number of disability Forum meetings held		4 Forum meetings of People Living with Disabilities forum meetings held	Achieved	4 Disability Forum meetings held	4 Disability Forum meetings held	3 Disability Forum meetings held	Not Achieved		Notice; Agenda; Minutes & Attendance register

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COMPONENT E: ENVIRONMENTAL PROTECTION

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

INTRODUCTION TO ENVIRONMENTAL PROTECTION
Environmental health is the science and practice of preventing human injury and illness, promoting well-being by identifying and evaluating environmental sources and hazardous agents, limiting exposures to hazardous physical, chemical, and biological agents in air, water, soil, food, and other environmental media or settings that may adversely affect human health. Environmental Health Services within the Province is being rendered at District level. The Provincial Environmental Health Practitioners provide support mostly were a challenge still remains in the devolution of the function to Municipalities due to human resource constraints. The District is responsible for environmental pollution control through municipal health and environmental services and provide support to sector departments in terms of biodiversity and landscape. *T 3.14*

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL
The Gert Sibande District Municipality is responsible for monitoring water quality on a monthly basis, within the Municipality. Compliance to SANS 241 standards for drinking water is tested. Surveillance of surface water and sampling of boreholes for possible pollution by heavy metals or other chemical or biological contaminants is conducted. The District, as a licensing authority manages air pollution through regulatory services and compliance monitoring services, including environmental pollution control, incident management and pollution prevention through awareness campaigns. The impact of the service has seen increased awareness and community participation in pollution prevention.

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

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE
Lekwa Local Municipality addresses biodiversity and landscape management including open spaces as part of its environmental protection function.Biodiversity and landscape are fundamentally interconnected; the variety of life in a habitat shapes the physical landscape, while the landscape's structure its topography, vegetation, and land use determines which species can survive and thrive.

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Within the South African context, ecological infrastructure refers to naturally functioning ecosystems that deliver valuable services to people, such as healthy mountain catchments, rivers, wetlands, coastal dunes, and nodes and corridors of natural habitat, which together form a network of interconnected structural elements in the landscape. Investing in ecological infrastructure has its foundation in simultaneously identifying critical services flowing from naturally functioning ecosystems, and identifying those organisations that would benefit from or have a key responsibility for investing in these naturally functioning systems. The ecosystem services that are primarily being focused on for attracting investment in South African are largely related to water and disaster risk reduction, with climate change adaptation elements in both of these. The primary stakeholders that would be interested in these services are government related, although this should not discount the potential for private sector stakeholder involvement.

The entire economy relies to some extent on services flowing from ecological infrastructure – clean water flowing from healthy catchments being one obvious example. Unless this infrastructure is secured, the economy will suffer. Investing in ecological infrastructure should be seen as a means of risk reduction.

Water is South Africa's most critical natural resource, and is a vital element for sustainable economic growth - supporting agriculture, energy generation, industry and forestry, as well as domestic use. The effects of climate change are expected to place additional pressures on the country's already stretched water resources. South Africa is a developing country facing a number of challenges relating to poverty, unemployment and inequality. Investing in ecological infrastructure has the potential to contribute to national development goals, including job creation, poverty alleviation and rural development.

Mainstreaming biodiversity into land-use planning and decision-making, resource management and biodiversity stewardship is critical. The mandate for managing ecological infrastructure is shared between all three spheres of government in South Africa. For example, land use decisions made at the municipal level affect the existence and state of ecological infrastructure, such as the maintenance of healthy wetlands that provide a disaster risk reduction role for human settlements, while the enforcement of buffers along river stretches on agricultural land by provincial agricultural departments has a direct impact on river health and water quality.

The private sector also has a critical role to play in investing in ecological infrastructure both as an investor, and as a landowner. There are a number of motivations for private sector investment in ecological infrastructure, and one of the main motivators is to manage risk. Within the Municipality, not enough has been done to date to mainstream this critical element towards sustainable environmental health.

Invasive alien plant control will form part of the EPWP programme, with teams focusing on clearing waterways and municipal owned land with dense growth of invasive plants. The Department of Forestry, Fisheries and Environment will also be approached for assistance with cleaning and greening programmes. In respect of environmental education, interventions will also be undertaken, involving the local communities with themes that will include, dealing with invasive alien plants, biodiversity, conservation and animal well-being.

T 3.16.1

COMPONENT F: HEALTH

INTRODUCTION TO HEALTH

This component includes clinics, ambulance services and health inspections, which are all functions that are not directly provided by the Municipality. These services are rendered by the Department of Health and the District respectively.

T 3.17

3.17 CLINICS

INTRODUCTION TO CLINICS

Clinic services and primary health care is no longer under the control of the Municipality. This service is provided by the Department of Health. The following table provides some critical statistics in respect of clinic services within the Municipality and as a proportion of clinic services within the District.

T 3.17.1

PUBLIC HEALTH FACILITIES	2024/2025
Number of clinics	27
Number of community health centres (CHC)	1
Number of hospitals	1

3.18 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

Emergency Medical Services (EMS) or ambulance services consists of teams of healthcare professionals who are responsible for providing pre-hospital emergency care and transportation of the sick and injured. Medical care is usually provided within three components, namely operations, specialised standby services and hospital inter-facility transfers. Within Lekwa, this service is provided by the Department of Health and thus the Municipality does not have any competence in rendering this service. *T 3.18.1*

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

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC
Municipal Health Services has been extended by the District through compliance inspections for the following services, namely food control, environmental pollution control, water quality monitoring, health surveillance including premises. Monthly inspections to premises, including targeted food and water sampling is conducted. Through training and awareness campaigns, communities and stakeholders are capacitated. There is a continuous campaigning to do licensing of all food premises with regular and continuous compliance monitoring and enforcement. The District, being mandated to provide municipal health services, has extended compliance inspection in the areas of food control, environmental pollution control, water quality monitoring and health surveillance of business premises. A significant number of inspections are done on a monthly basis, targeting food and water sampling. Awareness and training campaigns are done to capacitate communities and stakeholders. There is a continuous campaigning to do licensing of all food premises with continuous compliance monitoring and enforcement. It being a District function, it has managed to increase its monitoring and licensing regime and programme, including the number of awareness programmes to capacitate communities and stakeholders and be actively involved in municipalities within the District. *T 3.19.1*

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COMPONENT G: SECURITY AND SAFETY

INTRODUCTION TO SECURITY & SAFETY
This component includes: traffic law enforcement; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.
T 3.20

3.20 TRAFFIC LAW ENFORCEMENT

INTRODUCTION TO TRAFFIC LAW ENFORCEMENT

The function of the municipal traffic department is to ensure the safety of all road users within the Lekwa Local Municipal area by, the policing of all moving violations, speed management by means of cameras and the inspection of vehicles in terms of roadworthiness and vehicle safety. During this period, the Traffic Department increased visibility in all areas. Additional roadblocks were held during this period.

Some of the safety & security challenges experienced by the community of Lekwa include the following:

- Limited visible policing
- Inadequate resources for effective and efficient combatting of crime
- Limited partnerships between SAPS and municipal stakeholders
- Poor lighting in certain areas

Shortage of equipment to conduct special road blocks for the collection of outstanding fines

Shortage of personnel specially on funeral escorts over weekends.

T 3.20.1

Traffic Law Enforcement Service Data

	Details	2022/2023	2022/2023		2024/2025
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	633	0	633	1093
2	Number of by-law infringements attended	0	0	0	0
3	Number of police officers in the field on an average day	7	7	7	8
4	Number of police officers on duty on an average day	7	7	7	8

T 3.20.2

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
33	Number of roadblocks conducted		18 roadblocks conducted (-30 variance)	Not Achieved	48 Roadblocks conducted	48 Roadblocks conducted	48 Roadblocks conducted	Achieved		Quarterly report

Employees: Police Officers					
Job Level	2023/2024	2024/2025			
Police / Administrators	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Chief Police Officer & Deputy					
Other Police/Traffic Officers					
0 - 3	0	0	0	0	0%
4 - 6	4	7	3	5	80%
7 - 9	0	1	1	0	0%
10 - 12	6	18	8	10	55%
13 - 15	4	0	4	0	100%
16 - 18	1	0	1	0	100%
19 - 20	0	0	0	0	0%
Total	55	26	17	15	57.69%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*
T 3.20.4

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

Fire and Disaster Management Services are an important public service. It forms part of the social fabric of all our communities. The services provided is critical to preventing fires and responding quickly and effectively to incidents. In terms of the Fire Brigade Services Act, No. 9 of 1987, the service is responsible 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 threating danger; d) the rescue of life or property from a fire or other danger; and subject to the provisions of the Health Act, 1997, the rendering of an ambulance service as an integral part of the fire brigade service.

Within the Municipality, fire and disaster management falls within the same unit. Disaster management is a service that is run on an agency basis by the Municipality on behalf of the Gert

Sibande District Municipality. There are critical challenges within the unit especially in respect of adequate staff, safety gear, equipment and the requisite fleet to effectively and efficiently perform its functions. The Fire, Rescue and Disaster Management service is operating on a four-shift system, 24/7, with a minimum of 8 Senior Fire Fighters, 45 Fire Fighters and 6 Control Room Attendants which is still far less than the required standard for manning a fire station. In addition, there is also vehicle shortages as most of the fire fighting vehicles have been scrapped due to being beyond its reasonable life expectancy. These vehicles require replacing and those that are still operational, suffer breakdowns and remains out of service for extended periods of time at the workshop for repairs due to its use beyond its reasonable lifespan. Service delivery is also hampered, and the lives of the fire fighters are at risk in instances when work is performed where smoke or chemicals is inhaled, due to lack of proper equipment. For the year under review, the component has responded to all reported emergency calls. Fire hydrant inspections are also undertaken on a regular basis with the total number of fire hydrants being 318, 40 are non-operational due to stolen and damaged heads.

T 3.21.1

Municipal Fire Service Data			
	Details	2023/2024	2024/2025
1	Total house/building fires attended in the year	66	96
2	Total veld/grass fires attended in the year	134	115
3	Total motor vehicle accidents attended in the year	116	141
4	Total fire safety inspections conducted on business premises in the year	245	425
5	Total fire hydrant inspections conducted in the year	157	175
6	Fire fighters in post at year end	44	52
7	Vehicle fires attended	24	17
			T 3.21.2

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
31	Percentage emergency, fire and rescue incidents attended		100% Emergency, fire and rescue services rendered	Achieved	100% Emergency, fire and rescue incidents attended	100% Emergency, fire and rescue incidents attended	100% Emergency, fire and rescue incidents attended	Achieved		Quarterly report
32	Number of safety awareness campaigns conducted		10 safety awareness campaigns conducted (-2 variance)	Not Achieved	12 Safety awareness campaigns conducted	12 Safety awareness campaigns conducted	17 Safety awareness campaigns conducted	Achieved		Notice; Agenda; Minutes & Attendance register

Employees: Fire Officers					
Job Level	2023/2024	2024/2025			
Police / Administrators	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Chief Fire Officer & Deputy	0	1	1	0	0
Other Fire Officers / Fire Fighters					
0 - 3	1	0	0	0	0%
4 - 6	3	0	0	0	0%
7 – 9	6	91	42	53	51.6%
10 - 12	7	23	16	7	30.4%
13 - 15	9	3	0	0	0%
16 - 18	11	1	1	0	0%
19 - 20	18	0	0	0	0%
Total	55	118	59	60	82.0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*
T 3.20.4

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The Fire, Rescue and Disaster Management unit operates on a two-shift system and four shift rotation, 24 hours a day and seven days a week. Each shift operates with a minimum of three Fire Fighters and a Control Room Attendant which is far less than the required standard for effectively manning a fire station per shift.

The problem is also compounded by the fact that most of the fire fighting vehicles have been scrapped due to it being beyond its useful lifespan, while other vehicles have not been repaired either from involvement in accidents or due to maintenance and repairs. Maintenance and repairs to these vehicles have become a very costly exercise due to the age of these vehicles.

The Morgenzon Fire Station does not meet minimum requirement standards. Noting that disaster management is a district shared service, future plans must include the upgrade of the existing premises.

Service delivery is hampered and the lives of fire fighters are at times at risk due to protective clothing not being replaced on a regular basis as it becomes damaged.

The above has a negative impact in the ability to ensure that in all instances the average turnaround time to respond to incidents in both urban and rural is not always within the specified acceptable standard to reach an emergency incident. The unit however always strives to respond to their call of duty with utmost dedication and commitment.

T 3.21.2.1

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

The Disaster Management function is mandated by the Disaster Management Act (57 of 2002) and other supporting legislation has been devolved as a District function. Measures aimed at preventing or reducing risks associated with hazards prevailing within the district is being implemented. It is a continuous and integrated multi-sectoral, multi-disciplinary process of planning and implementation of projects and programmes aimed at improving capacity to deal with disasters and emergencies.
The District supports local municipalities and other stakeholders with firefighting training in order to improve their capacity to prevent, reduce and or respond to the fire incidents and emergencies. The Municipality relies on the District for assistance in rendering Disaster management services.

T 3.22.1

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

The GSDM has a functional Disaster Management Advisory Forum, which holds quarterly meetings. The Forum consists of stakeholders from diverse sectors to advise and assist the District in the planning and implementation of programmes that are aimed at prevention and reduction the risk of disasters, mitigating the severity of disasters, preparedness, responding to incidents and post disaster recovery and rehabilitation. The Municipality participates in District and Provincial Disaster

Management Advisory Forums and other Disaster and Emergency Services Technical Committees and Structures within the district and the province.

T 3.22.7

COMPONENT H: SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

This component includes community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites. The main objective of this section within the Community Services and Safety are the following:

The Division strives to maintain and keep environment, parks and gardens clean, tidy and organised.
- The Division cleans and maintains sport facilities in suitable conditions.
- The Division cleans and maintain recreational facilities to the acceptable standards.

SERVICE DELIVERY OBJECTIVES
- To clean and maintain environment, parks and gardens
- To clean and preparation of sports and recreational facilities

CHALLENGES
- Old and redundant machinery and equipment
- Lack of additional and up to date machinery and equipment
- Additional land for burial purposes
- Insufficient personnel staff members to cater for three sections in the division

ACHIEVEMENTS
- Ability to clean and maintain facilities as per weekly programme

T 3.23

3.23 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Portfolio of Evidence
35	Number of parks and amenities maintained		12 Parks maintained	Achieved	12 Parks and amenities maintained	12 Parks and amenities maintained	47 Parks and amenities maintained	Achieved		Quarterly report

Employees: Sport and Recreation					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	0	0	0%
4 - 6	15	0	15	0	100%
7 - 9	3	2	3	2	80%
10 - 12	2	1	2	1	50%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	100%
19 - 20	0	0	0	0	0%
Total	15	15	15	3	18%
*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.23.3					

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

Key stakeholders responsible for oversight, governance, and the communication of assurance matters include the Council, the Executive Mayor, and the Municipal Manager. Leadership and those charged with governance continuously contribute to the credibility of financial and performance information, as well as compliance with applicable legislation, by ensuring that adequate internal controls are established, implemented, and effectively monitored.

The establishment of Council Committees in terms of Sections 79 and 80 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), has strengthened oversight mechanisms within the municipality. These committees are specifically established to oversee the implementation of measures, policies, and strategies, ensure that these are implemented as intended, and confirm that key risks are identified, monitored, and mitigated. Council committees provide a platform for accountability and create an enabling environment for good governance by promoting accountability through the oversight role of political structures.

Council committees further monitor and ensure compliance with assigned duties and objectives, and investigate matters affecting service delivery and socio-economic development, including making recommendations on addressing underlying causes of socio-economic inequality within the municipality. In the previous reporting period, the municipality reported challenges relating to the poor functionality of Section 79 Committees, largely due to lack of attendance by members. This resulted in weakened oversight, limited accountability, and continued non-compliance with key local government legislation, thereby hampering effective administrative oversight.

During the period under review, these challenges were addressed by the Office of the Speaker. As a result, Section 79 and 79A Committees have attained an improved level of functionality, with oversight activities being conducted as intended. This improvement has contributed positively to enhanced governance and accountability within the municipality.

With regard to executive oversight, the Executive Mayor, supported by Members of the Mayoral Committee, oversees the administration of the municipality to ensure effectiveness and efficiency in service delivery. The Municipal Manager, as the Head of the municipal administration, has ensured that appropriate administrative internal controls are in place to promote accountability. This includes the establishment of proper administrative reporting arrangements and the development of a system of delegations aimed at enhancing administrative and operational efficiency

T 3.24

3.24 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

The following highlights key findings in respect of leadership, financial and performance management and governance that can only be addressed and corrected as a collective:

a) Effective leadership based on a culture of honesty, ethical business practices and good governance, and protecting and enhancing the best interests of the entity

b) Exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls

c) Implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored and that policies and internal controls are in place
d) Establish information technology governance framework that supports and enables the Municipality to deliver value and improves performance
e) Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible to support financial and performance information
f) Review and monitor compliance with applicable legislation and design and implement formal controls over information technology systems to ensure the reliability of the systems and the availability, accuracy and protection of information;
g) implement appropriate risk management activities to ensure that regular risk assessments, are conducted and that the risk strategy is implemented and monitored through an adequately resourced and functional internal audit unit;
h) ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and overseeing the effectiveness of the internal control environment, including financial and performance reporting and compliance with legislation.

T 3.24.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

In exercising its executive and legislative mandate, the institution, through collective leadership, financial and performance management, and governance structures, has ensured effective oversight and accountability by considering and reviewing all legislated reporting requirements within the various Council committees to support the provision of services

T 3.69.2

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
89	Date for approval of Schedule of Council and sub-committee meetings		1 approved Schedule of Council and Sub-Committees	Achieved	1 approved Schedule of Council and Sub-Committee meetings	1 approved Schedule of Council and Sub-Committee meetings	Schedule of Council and sub-committee meetings approved on 2025-06-27	Achieved		Council resolution; Schedule of Council and sub-committee meetings
90	Percentage implementation of Council Resolutions		4 Council Resolutions implementation tracking register	Achieved	100% implementation of council resolutions	100% implementation of council resolutions	75% implementation of Council resolutions	Not Achieved		Quarterly report
91	Number of Mayoral Committee sittings held		4 Mayoral Committee sittings	Achieved	4 Mayoral Committee sittings	4 Mayoral Committee sittings	10 Mayoral committee meetings	Achieved		Notice; Agenda; Minutes & Attendance register

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
92	Number of section 79 meetings held		18 Section 79 meetings	Achieved	24 Section 79 meetings to be held	24 Section 79 meetings to be held	32 Section 79 committee meetings	Achieved		Notice; Agenda; Minutes & Attendance register
93	Number of section 80 meetings held		12 Section 80 Meetings	Not Achieved	20 Section 80 meetings to be held	20 Section 80 meetings to be held	31 Section 80 committee meetings	Achieved		Notice; Agenda; Minutes & Attendance register

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
94	Percentage of legislated documents and notices placed on municipal website and advertised in local newspaper		100% legislated documents and notices placed on municipal website and advertised in local newspaper	Achieved	100% of legislated documents and notices placed on municipal website and advertised in local newspaper	100% of legislated documents and notices placed on municipal website and advertised in local newspaper	100% legislated notices placed on the municipal website and advertised on local newspaper	Achieved	None	Website screen shots; Newspaper tear sheets
95	Percentage reduction in litigious matters against the Municipality		10%	Not Achieved	100% reduction in litigious matters against the Municipality	100% reduction in litigious matters against the Municipality	28%	Not Achieved	Continuous observation of court directives	Quarterly report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
98	Date for review and approval of Public Participation Strategy		Public participation strategy not reviewed for approval	Not Achieved	1 reviewed and approved Public Participation Strategy	1 reviewed and approved Public Participation Strategy		Achieved		Council resolution; Public Participation Strategy
99	Number of Ward Councillors Forum meetings convened		New KPI		4 ward Councillors Forum	4 ward Councillors Forum		Achieved		Notice; Agenda; Minutes & Attendance register
100	Number of Ward Committee meetings held		180 Ward Committee meetings held	Achieved	180 Ward Committee meetings to be held	180 Ward Committee meetings to be held		Not Achieved		Notice; Agenda; Minutes & Attendance register

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
101	Number of ward community consultations conducted		180 Ward Committee meetings held	Achieved	60 Ward Community Consultation Meetings	60 Ward Community Consultation Meetings		Not Achieved		Notice; Agenda; Minutes & Attendance register
102	Number of community outreach programmes conducted		60 Ward community meetings	Achieved	4 Community outreach programmes conducted	4 Community outreach programmes conducted		Achieved		Notice; Agenda; Minutes & Attendance register
103	Percentage of community issues resolved		40% issues resolved	Not Achieved	100% of issues resolved	100% of issues resolved		Not Achieved		Quarterly report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
104	Number of programmes by Office of the Speaker		4 Community outreach programmes	Achieved	4 Programmes	4 Programmes		Achieved		Quarterly report
105	Date for review of OPMS Framework		OPMS Policy reviewed. Not approved by Council	Not Achieved	1 Review and Approval of OPMS Framework	1 Review and Approval of OPMS Framework	2024/2025 OPMS Policy approved by Council 2024-07-31 CRA96	Achieved		Council resolution; OPMS Policy

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
106	Date for approval of SDBIP		2023/24 SDBIP approved by 2023-07-14 after budget approved on 2023-06-15	Achieved	1 SDBIP	1 SDBIP	2024/2025 SDBIP approved 2024-07-02	Achieved		Approved SDBIP
107	Number of SDBIP quarterly reports		4 Reports	Achieved	4 SDBIP reports	4 SDBIP reports	4 SDBIP reports	Achieved		SDBIP report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
108	Annual Performance Report prepared		1 Annual Performance Report prepared	Achieved	1 Annual Performance Report prepared	1 Annual Performance Report prepared	1 Annual Performance Report prepared and submitted to AG by 2024-08-31	Achieved		Annual Performance Report; Proof of submission to AGSA
109	Annual Report tabled		Annual Report tabled on 2024-01-31	Achieved	1 Annual Report tabled by 31 January 2025	1 Annual Report tabled by 31 January 2025	2023/24 Annual Report tabled to Council 2025-01-31	Achieved		Annual Report; Council Resolution

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
110	Oversight report tabled		2022/23 Oversight report not adoped on time, Adopted 2024-07-02	Not Achieved	1 Oversight Report adopted by 31 March 2025	1 Oversight Report adopted by 31 March 2025	2023/24 Oversight Report adopted by Council on 2025-03-27	Achieved		Oversight Report; Council Resolution
111	Strategic risk assessment conducted		1 strategic risk register developed	Achieved	1 Strategic risk assessment conducted	1 Strategic risk assessment conducted	1 Strategic risk assessment conducted	Achieved		Strategic Risk Assessment Report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
112	Number of reports on strategic risk mitigating action plan implementation		4 Progress report on risk mitigation plan implementation	Achieved	4 reports on strategic risk mitigating action plan implementation	4 reports on strategic risk mitigating action plan implementation	4 reports on strategic risk mitigating action plan implementation	Achieved	N/A	Quarterly report
113	Number of RMAFACC meetings		4 RMAFACC meetings held	Achieved	4 RMAFACC meetings	4 RMAFACC meetings	4 RMAFACC meetings	Achieved	N/A	Notice; Agenda; Minutes & Attendance register

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
114	Number of Anti-fraud and anti-corruption workshops/ awareness campaigns conducted		4 anti-fraud and anti-corruption workshops / awareness	Achieved	4 Anti-fraud and anti-corruption workshops/ awareness campaigns conducted	4 Anti-fraud and anti-corruption workshops/ awareness campaigns conducted	4 Anti-fraud and anti-corruption workshops/ awareness campaigns conducted	Achieved	N/A	Workshop/ Awareness campaign material; Attendance registers
115	1 Audit committee charter		Approved Audit Committee Charter on 2023-08-29	Achieved	1 Audit committee charter	1 Audit committee charter	Audit committee charter reviewed	Not Achieved	Audit committee charter will be reported to council in the first quarter	Audit Committee Charter; Council Resolution
116	Number of Audit committee meetings held		4 Audit Committee meetings	Achieved	4 Audit committee meetings held	4 Audit committee meetings held	4 Audit committee meetings held	Achieved		Notice; Agenda; Minutes & Attendance register

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
117	1 Three year rolling internal audit plan developed		Approved Internal Audit Charter (Audit Committee 2023-07-20)	Achieved	1 Three year rolling internal audit plan developed	1 Three year rolling internal audit plan developed	1 Three year rolling internal audit plan developed	Achieved		Internal Audit Plan
118	Number of reports on implementation of annual audit action plan submitted to Audit Committee		4 Reports	Achieved	4 Reports on implementation of annual audit action plan submitted to Audit Committee	4 Reports on implementation of annual audit action plan submitted to Audit Committee	4 Reports on implementation of annual audit action plan submitted to Audit Committee	Achieved		Quarterly report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
119	Number of progress reports on AGSA audit action plan implementation		4 Progress reports on AGSA action plan implementation	Achieved	4 Progress reports on AGSA audit action plan implementation	4 Progress reports on AGSA audit action plan implementation	4 Progress reports on AGSA audit action plan implementation	Achieved		Quarterly report
120	Number of progress reports on internal audit action plan implementation		4 Progress reports on internal audit action plan implementation	Achieved	4 Progress reports on internal audit action plan implementation	4 Progress reports on internal audit action plan implementation	4 Progress reports on internal audit action plan implementation	Achieved		Quarterly report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
121	Number of reports on Circular 88 updates submitted		New KPI		4 Reports on quarterly Circular 88 updates submitted	4 Reports on quarterly Circular 88 updates submitted	4 Reports on quarterly Circular 88 updates submitted	Achieved		Circular 88 updates

Chapter 3

Employees: The Executive and Council					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	13	2	200%
4 - 6	3	3	8	7	233%
7 - 9	6	8	12	10	125%
10 - 12	7	15	8	8	53%
13 - 15	9	15	0	0	0%
16 - 18	11	21	18	7	33%
19 - 20	18	30	0	0	0%
Total	55	93	59	34	37%

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

Chapter 3

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

As highlighted above, and taking into account the findings of the Auditor-General, particularly those relating to the provision of assurance and the political-administrative will to effectively implement consequence management, clear corrective measures will be implemented through the Audit Action Plan to address these matters. In addition, relevant National Treasury guidelines and circulars will be utilised to strengthen the implementation, monitoring, and reporting processes relating to assurance and consequence management.

In exercising its executive and legislative mandate, the institution has, through collective leadership and effective financial and performance management and governance structures, ensured effective oversight and accountability. This has been achieved through the consideration and review of all legislated reporting requirements within the various Council committees, in support of service delivery and in addressing socio-economic inequalities and developmental challenges within the municipality.

Various projects, as outlined in the Integrated Development Plan (IDP), aimed at addressing service delivery backlogs in water, sanitation, electricity, roads, human settlements, and human capital development, have been undertaken to ensure the sustainable provision of services. Water and sanitation projects were, in the main, funded by the Department of Water and Sanitation, with the Gert Sibande District Municipality appointed as the implementing agent. During the year under review, the Department of Roads and the South African National Roads Agency (SANRAL) supported the Municipality through the upgrading of critical road infrastructure and, in some instances, assumed ownership of certain roads through proclamation

T 3.24.7

Chapter 3

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES
The established Budget and Treasury office's main focus is to provide accounting services for all directorates in the Municipality. Key functions include revenue management, credit control, debt collection, supply chain and asset management. Revenue management deals with debtors' management, which includes billing and the collection of consumer debt. The average collection rate was 67% for the year under review. The asset management section deals with movable and immovable assets in terms of various GRAP standards. Creditors and payroll management deals with the payment of creditors through procurement processes and direct payment. In addition, it deals with the remuneration of salaries and councillors allowances. At the reporting date, there were no issues in terms of salaries and allowances. Matters raised by the Auditor General were in terms of major creditors such as Eskom, Department of Transport, and the Department of Water and Sanitation. The supply chain management section deals with the storage of goods and stock for use by various departments. This among others include fuel and oil, material for water, electrical, refuse, sewerage and stationary. This section also deals with procurement processes that deals with competitive bidding as well as quotations. The component of accounting management services deals with budget management and reporting to various structures as required in terms of inter alia MFMA sections 71,72, 52, 121, 122, 123,124,125 126, 131 and 132.
The challenges that needs to cleared out are procurement maters dealing with irregular, unauthorised, fruitless and wasteful expenditure. The other matter that in most instances complicate budget management is that the budget is not realistic and not cash backed. An audit recovery action plan had been developed to address matters raised by the Auditor General.
T 3.25.1

Chapter 3

FINAL

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
127	Reduction of UIFWE		The fruitless for the quarter amounts to R317 464 940 , Irregular amounts to R239 977.038 which was submitted to council in the 4th quarter	Achieved	Reduce UIFWE to by R600 million	Reduce UIFWE to by R600 million		Not Achieved		Quarterly reports
128	Approved annual procurement plan		New KPI		Annual procurement plan approved	Annual procurement plan approved	Annual procurement plan approved	Achieved		Approved procurement plan
129	Number of reports on service provider performance monitoring		4 Reports on service provider performance	Achieved	4 Reports on service provider performance monitoring	4 Reports on service provider performance monitoring	4 Reports on service provider performance monitoring	Achieved		Contract register report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
130	Reduced outstanding creditors		The municipality is under financial distress and unable to pay all creditors within 30 days. Eskom debt still increasing	Not Achieved	Reduce outstanding creditors by R 100 Million	Reduce outstanding creditors by R 100 Million		Not Achieved		Quarterly reports
131	Increased collection rate		56%	Not Achieved	Collection rate increased to 80%	Collection rate increased to 80%		Not Achieved		Quarterly reports

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
132	Data cleansing and analysis undertaken		New KPI		10 000 households with data cleaning and analysis undertaken	10 000 households with data cleaning and analysis undertaken		Not Achieved		Quarterly reports
133	Number of reviews of tariffs for correct implementation on the financial system		New KPI		2 Reviews of tariffs for correct implementation on the financial system	2 Reviews of tariffs for correct implementation on the financial system	2 Reviews of tariffs for correct implementation on the financial system	Achieved		Tariff Report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
134	Reduction in electricity trading service operating deficit		Tariffs were reviewed, submitted to council and approved with the Budget on the 4th June 2024 (see attacched council resolution)	Achieved	Reduction in electricity trading service operating deficit through cost of supply study	Reduction in electricity trading service operating deficit through cost of supply study	Reduction in electricity trading service operating deficit through cost of supply study	Achieved		Cost of Supply Report
135	Reduction in insolvent late estate in debtors book		New KPI		30% of insolvent late estates in debtors book written off	30% of insolvent late estates in debtors book written off		Not Achieved		Quarterly reports

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
136	Monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during a month		0,5 month	Not Achieved	2 months cost coverage	2 months cost coverage		Not Achieved		Quarterly reports

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
137	Number of reports on implementation of budget funding plan and effective cash flow management		New KPI		4 Reports on implementation of budget funding plan	4 Reports on implementation of budget funding plan	1 Report on implementation of budget funding plan	Not Achieved		Budget funding plan; Quarterly reports
138	Development of a Long term financial plan		New KPI		Approved Long term financial plan	Approved Long term financial plan	Approved Long term financial plan	Achieved		

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
139	Improved 2023/24 audit outcome		New KPI		Unqualified Audit Opinion	Unqualified Audit Opinion	2023/24 Qualified opinion	Not Achieved		AGSA Audit report
140	Number of reports on FRP implementation		12 FRP reports	Achieved	12 Reports on FRP Implementation	12 Reports on FRP Implementation	12 Reports on FRP Implementation	Achieved		Monthly FRP Report
141	Number of Budget Steering committee meetings		New KPI		4 Budget Steering committee meetings	4 Budget Steering committee meetings	2 Budget Steering committee meetings	Not Achieved		Notice; Agenda; Minutes & Attendance register

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
142	Number of reports on verification and reconciliation of Fixed Asset Register (FAR)		The FAR prepared in accordance to GRAP and MSCOA	Achieved	4 Reports on verification and reconciliation of Fixed Asset Register (FAR)	4 Reports on verification and reconciliation of Fixed Asset Register (FAR)	4 Reports on verification and reconciliation of Fixed Asset Register (FAR)	Achieved		Quarterly reports; GRAP Compliant asset register

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
143	Number of reports on Eskom current account monthly as part of adherence to Eskom debt relief programme		New KPI		12 Reports on Eskom current account monthly as part of adherence to Eskom debt relief programme	12 Reports on Eskom current account monthly as part of adherence to Eskom debt relief programme	6 Reports on Eskom current account monthly as part of adherence to Eskom debt relief programme	Not Achieved		Monthly proof of payment of Eskom current account

Chapter 3

Employees: Financial Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	4	4	3	75%
4 - 6	3	10	10	5	50%
7 - 9	6	12	12	9	75%
10 - 12	7	22	22	29	132%
13 - 15	9	0	0	0	#DIV/0!
16 - 18	11	6	6	4	67%
19 - 20	18	0	0	0	#DIV/0!
Total	55	54	54	50	93%

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

Chapter 3

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

Revenue management, and particularly revenue assurance, should be high up on the list of priorities. Debt owed to municipality was R 2 295 581 524 with R 182 180 385 impaired as a result of non-payment of services. In addition, the municipality had payables from exchange transactions amounting to R 3 792 572 551. Effective revenue assurance could rescue the municipality and underpin improved financial management, especially at a time where more challenges are forecast for the South African economy, already caught in the grip of stagnant economic growth. As the economy continues to decline, the municipality will face even bigger challenges in generating revenue. The continued restructuring and closure of businesses, which lead to job losses, would have far reaching effects for the municipality.

Revenue generated from rates, taxes, and service charges will also dwindle and the ratio of indigents compared to paying customers is likely to increase.

The Municipality had a total operating revenue for the reporting period ending 30 June 2025 which amounted to R 1 282 433 841 which shows an decrease of R 339 468 978 when compared to the operating revenue for the period ended 30 June 2024 where the operating revenue amounted to R1 621 902 819 (Restated). The decrease was mainly due to a decrease in Public Contributions and donations of R 221 989 737. The municipality applied to participate in the DWS Municipal debt relief programme and was approved on 14 August 2025.

Grants receipts contributed R 244 million (19%) of the total revenue while revenue generated from property rates as well as service charges contributed R 832 594 710 million (64.9%) to the total revenue mix.

Although there are no specific norms and standards set to measure grant dependency, given the revenue mix outcome, this indicates that the Municipality is not entirely dependent on grants and subsidies to finance its operations, but more can be done to improve own revenue generation. The municipality is implementing various revenue enhancement programs that will assist in reducing the operating deficit over the multi-year period.

The total revenue of the Municipality at the end of June 2025 has reduced by R 298 million (19%) when compared to the reporting period ended 30 June 2025.

The main sources of revenue excluding Grants and Subsidies for the 2024/25 financial year were as follows:

Electricity R 459 million (35.8%)
Property Rates R 201 million (15.6%)
Water R 83 million (6.4%)
Sanitation R 68 million (5.3%)

Refuse R 20 million (1.5%)

The revenue generated from sales of electricity contributed 26.5% (R 459 million) of the total revenue mix, thus indicating that the electricity business unit should be nurtured and operated efficiently to ensure increased revenue from this service. This includes ensuring revenue protection by removing illegal connections, replacing bridged and tampered meters, ensuring accuracy of billing by effecting correct tariffs that are billed on time and accurate meter readings being taken.

The Municipality had a total operating expenditure for the reporting period ending 30 June 2025 amounting to R 1 663 824 306. There was an increase in expenditure which amounted to R 131 967 786 when compared to the period ended 30 June 2024. The main contributors to this increase are the increase in bulk purchases of R126 984 522, contracted services of R27 494 294 and employee related costs of R48 404 803. The Municipality was able to reduce Debt impairment by R24 596 961, this can be attributed to an improvement in collection rate and a change in impairment calculation methodology.

The following expenditures remains the highest cost drivers and have a significant impact on the revenue of the Municipality thus requiring the Municipality to vigorously implement the revenue enhancement strategy and continuous cost curtailment measures:
Bulk purchases R 651 million (39%)
Employee related costs R 327 million (19.6%)
Debt impairment R 182 million (10.9%)
Depreciation R 63 million (3.7%)
Finance costs R 144 million (8.6%)
Contracted services R 156 million (9.3%)

The Municipality has further implemented cost curtailment measures as well as the establishment of a cash flow management committee in order to reduce expenditures. The Municipality is committed to reducing running overheads such as overtime, standby, telephone costs, printing and stationery, including the reduction of non-essential procurement and expenditure. Furthermore the municipality took an initiative to renegotiate contracts with its service providers to reduce their scopes to affordable levels. Adequate provision is made towards expenditure that can improve service delivery on water network maintenance, improved sanitation, electricity maintenance and road maintenance amongst other expenditure.

The municipality had a deficit for the year of R358 911 294 for the period ending June 2025. The Municipality had cash and cash equivalents amounting to R16 240 927 at the end of June 2025.

T 3.25.7

Chapter 3

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES
The impact of Human Resource Services on the Municipality is evident in the initiatives undertaken to ensure that both Councillors and officials are adequately skilled through various learning and skills development programmes. These initiatives contribute to the development of a well-capacitated leadership and management cohort, thereby enhancing institutional capability and improving service delivery outcomes.
T 3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES
Support services to the following departments have been rendered to ensure a capable administration in prudent utilisation of minimal resources: Office of the Municipal Manager Budget and Treasury Corporate Services Community Services and Safety Technical Services Planning and Economic Development Services: Recruitment and Selection Training and Development Employee Administration Leave Administration and Management Employee Health and wellness Occupational Health and Safety
T 3.26.2

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
37	100% senior management with signed performance agreements		100%	Achieved	100%	100%	100% of appointed senior managers with signed performance agreements in place	Achieved		Signed performance agreements
38	100% senior management performance assessments conducted		0%	Not Achieved	100%	100%	40% senior management performance assessments conducted	Not Achieved	Adherence to to schedule of performance review	Performance assessments per senior manager

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
39	Number of Top Management formal (minuted) meetings attended by senior managers		New KPI	New KPI	12 Top Management meetings held	12 Top Management meetings held		Achieved		Notice; Agenda; Minutes & Attendance register
40	Annually reviewed organogram		Organogram reviewed	Achieved	Organogram reviewed by 30 June 2025	Organogram reviewed by 30 June 2025	Organogram approved on 2025-06-27	Achieved		Organogram & Council Resolution

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
41	Annually approved and implemented recruitment plan		Recruitment plan approved and implemented	Achieved	Recruitment plan developed and implemented	Recruitment plan developed and implemented	Approved and implemented recruitment plan	Achieved		Recruitment Plan; Quarterly reports on implemented Recruitment Plan
42	Approved HRD Strategy		HRD Strategy developed	Achieved	HRD Strategy approved by 30 September 2024	HRD Strategy approved by 30 June 2025	HRD strategy not approved as per the annual target	Not Achieved		Approved HRD Strategy; Council Resolution

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
43	Date for submission of Workplace Skills Plan (WSP) to LGSeta		WSP developed	Achieved	Workplace Skills Plan submitted by 30 April 2025	Workplace Skills Plan submitted by 30 April 2025	WSP submitted on 2025-04-29	Achieved		Letter of proof of submission; Workplace Skills Plan
44	Date for submission of Employment Equity Plan to Department of Labour		1 EE plan submitted	Achieved	Employment Equity Report for 2024 submitted to Dept. of Employment and Labour by 15 January 2025	Employment Equity Report for 2024 submitted to Dept. of Employment and Labour by 15 January 2025	EER submitted to DOEL on 2025-01-15	Achieved		Letter of proof of submission; Employment Equity Plan

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
45	Number of HRD and Employment Equity Committee meetings held		New KPI	New KPI	4 HRD and Employment Equity Committee (HRD & EE) meetings held	4 HRD and Employment Equity Committee (HRD & EE) meetings held	3 HRD and Employment Equity Committee meetings held	Not Achieved		Agenda; Minutes; Attendance registers
46	Number of reports on implementation of leave management		4 Reports	Achieved	4 Reports on implementation of leave management	4 Reports on implementation of leave management	4 Reports on implementation of leave management	Achieved		Leave Management automation report; leave system screenshot

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
47	Number of reports on implementation of IPMS		4 Reports	Achieved	4 Reports on implementation of IPMS	4 Reports on implementation of IPMS	4 Reports on implementation of IPMS	Achieved		Quarterly report
48	Percentage employees with signed performance agreements		21% employees with signed performance agreements	Not Achieved	100% employees with signed performance agreements	100% employees with signed performance agreements	100% Employees with signed performance agreements	Achieved		Report on progress of signed performance agreements
49	Number of reports on document management system implementation		4 Reports	Achieved	4 Reports on document management system	4 Reports on document management system		Achieved		Quarterly report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
50	Percentage of job descriptions updated		20% job descriptions reviewed	Achieved	20% of job descriptions updated	20% of job descriptions updated	97% job descriptions updated	Achieved		Quarterly report
51	Report on verified qualifications		1 Report	Achieved	1 Report on qualifications verified	1 Report on qualifications verified	1 Report on qualifications verified	Achieved		Report on Verification of Qualifications
52	Number of reports on skills audit conducted		100% skills audit conducted	Achieved	Number of reports on skills audit conducted	Number of reports on skills audit conducted	1 Report on skills audit conducted	Achieved		Skills audit report
53	Number of LLF meetings held		12 LLF Meetings held	Achieved	12 LLF Meetings held	12 LLF Meetings held	11 LLF Meetings held	Not Achieved		Notice; Agenda; Minutes & Attendance register

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
54	Number of workshops conducted on prosecuting and presiding disciplinary cases		2 Workshops conducted	Achieved	2 Workshops on prosecuting and presiding disciplinary cases conducted	2 Workshops on prosecuting and presiding disciplinary cases conducted	2 Workshops conducted on prosecuting and presiding disciplinary cases	Achieved		Invitation; Attendance register
55	Number of reports on disciplinary matters attended to		4 Reports	Achieved	4 Reports	4 Reports	4 Reports on disciplinary matters attended to	Achieved		Quarterly report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
56	Number of reports on customer care service center operations		4 Reports	Achieved	4 Reports	4 Reports	4 Reports on customer care service center operations	Achieved		Quarterly report
57	Number of reports on ICT infrastructure upgrade		15%	Not Achieved	4 Reports on ICT infrastructure upgrade	4 Reports on ICT infrastructure upgrade		Achieved		Quarterly report
58	Number of OHS Committee meetings held		New KPI		4 quarterly OHS Committee meetings	4 quarterly OHS Committee meetings	4 OHS Committee meetings held	Achieved		Invitation, minutes attendance registers
59	Number of Wellness Campaigns implemented		New KPI		4 Employee Health and Wellness Campaign per year	4 Employee Health and Wellness Campaign per year	3 Wellness Campaigns implemented	Not Achieved		Invitation, minutes attendance registers

Chapter 3

Chapter 3

Employees: Human Resource Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	54	93	54	39	42%

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

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

The priority within Human Resource Services remains to ensure that the organisational structure of the Municipality is appropriately aligned to the Integrated Development Plan (IDP) in order to effectively achieve the Municipality's strategic objectives. This includes the continuous review of the staff establishment to ensure that it is responsive to service delivery priorities, adequately resourced, and compliant with applicable legislative and regulatory frameworks.
In addition, Human Resource Services plays a critical role in facilitating the placement of suitably qualified and competent personnel in key positions, supporting succession planning, and strengthening institutional capacity to deliver on the Municipality's developmental mandate.
Sound employee relations remain fundamental to organisational stability and performance. Constructive engagement with organised labour, effective management of workplace disputes, adherence to collective agreements, and the promotion of fair labour practices contribute to a stable working environment. This, in turn, enables employees to perform optimally and supports the achievement of organisational objectives, improved service delivery, and good governance

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

Information and Communications Technology (ICT) is an extended term for Information Technology (IT) that emphasises the role of unified communications and the integration of telecommunications (including fixed-line and wireless connectivity), computer systems, and the necessary enterprise software, middleware, data storage, and audio-visual systems. These components collectively enable users to access, store, transmit, process, and manage information in support of organisational operations and service delivery.
To strengthen ICT governance, the Municipality has approved an ICT Framework and related ICT policies through Council. These instruments provide strategic direction and guide the governance, management, and utilisation of ICT resources in line with legislative requirements, best practice standards, and the Municipality's service delivery objectives. The approved framework further promotes information security, business continuity, data integrity, and compliance with relevant regulatory prescripts.
The Municipality has appointed two service providers to implement and maintain internet connectivity and telephony systems across municipal operations. These services are critical in supporting administrative efficiency, internal and external communication, financial and performance reporting,

and stakeholder engagement. The improved ICT infrastructure enhances access to digital platforms, supports the implementation of e-government initiatives, and contributes to improved turnaround times and service delivery responsiveness. *T 3.27.1*

SERVICE STATISTICS FOR ICT SERVICES

The following ICT services are aimed at enhancing IT connectivity and were provided to ensure continuous and effective organisational performance.

Communication – Emails, Teams, Zoom, and Telephone system
Security – Updated Anti-virus & Firewall (Network security).
The installation of software and hardware.
Upgrades to current systems – VIP System, Munsoft and Mun-Admin.
IT Governance – ICT Steering Committee
The following ICT policies and procedures were also approved for the period under review: 7 Policies were reviewed and approved by Council on the 29 April 2024.
* Lekwa Local Municipality ICT Policy Framework
* Virus and Malware Policy
* Firewall Policy
* Information Security Policy
* Electronic Communication Policy
* Physical and Environmental Security Policy
* Change Management Procedure

Internet connectivity at all municipal administrative offices has been completed, as well as telephones. This will in future also assist in work efficiency, especially once an intranet service is activated, which is in the future plans of the Municipality.

T 3.27.2

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
57	Number of reports on ICT infrastructure upgrade		15%	Not Achieved	4 Reports on ICT infrastructure upgrade	4 Reports on ICT infrastructure upgrade		Achieved		Quarterly report

Employees: ICT Services					
Job Level	2023/2024	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	0	0	0	#DIV/0!
7 - 9	0	0	0	0	#DIV/0!
10 - 12	0	0	0	0	#DIV/0!
13 - 15	2	2	2	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	#DIV/0!
Total	3	3	3	0	0%

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

Financial Performance 2023/2024: ICT Services					R
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	R2,260,727	R2,653,845		R2,260,727	R393,118
Repairs and Maintenance	R9,684,711	R11,552,211	R2,647,789	R9,684,711	R1,867,500
Other	0	0	0	0	0%
Total Operational Expenditure	R11,945,438	R14,206,056	R2,647,789	R11,945,438	R2,260,618
Net Operational Expenditure					
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.27.5*

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The performance of ICT services has improved through increased alignment with the Municipality's business needs, particularly in response to the evolving demands of the Fourth Industrial Revolution (4IR). Telephone and internet connectivity across all municipal buildings has been completed, thereby strengthening communication and operational efficiency.

In addition, the Municipality has commenced the process of implementing fibre connectivity to stabilise internet access across all municipal offices. The municipal website has been resuscitated and it functions optimally, and enhanced public access to information.

ICT services have further completed digitising key administrative functions through the introduction of Employee Self-Service (ESS) for leave management and the implementation of an electronic document and records management system. These initiatives aim to streamline administrative processes, improve turnaround times, enhance records management, and reduce reliance on paper-based systems, resulting in cost efficiencies

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

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

Chapter 3

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Within the Municipality, the components of property, legal, risk management and procurement services falls under Corporate Services, office of the Municipal Manager and Budget and Treasury respectively. Noting that the Municipality is required to establish and maintain effective, efficient and transparent systems of financial and risk management, internal controls and internal audit operating procedures in accordance with any prescribed norms and standards, the Auditor General's findings relating to these requires attention. It is evident from the findings that these areas are interrelated and internal controls must be strengthened in order to ensure improved compliance to regulatory frameworks.
Dealing with litigation matters is ongoing as there has been a number of cases brought against the Municipality that has escalated the contingent liability provision.

T3.28.1

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

In respect of service statistics for legal, risk management and procurement services, the Municipality strives to provide these services in accordance with applicable legislative and regulatory frameworks.

T 3.28.2

Chapter 3

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
95	Percentage reduction in litigious matters against the Municipality		10%	Not Achieved	100% reduction in litigious matters against the Municipality	100% reduction in litigious matters against the Municipality	28%	Not Achieved	Continuous observation of court directives	Quarterly report
96	Percentage increase in litigation in favour of the Municipality		New KPI		100% increase in litigation in favour of the Municipality	100% increase in litigation in favour of the Municipality	0%	Not Achieved	Constant follow-up on the IGRF processes	Quarterly report
97	Percentage processing of transfers for land purchases		New KPI		100% processing of transfers for land purchases	100% processing of transfers for land purchases		Not Achieved		Quarterly report

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
111	Strategic risk assessment conducted		1 strategic risk register developed	Achieved	1 Strategic risk assessment conducted	1 Strategic risk assessment conducted	1 Strategic risk assessment conducted	Achieved		Strategic Risk Assessment Report
112	Number of reports on strategic risk mitigating action plan implementation		4 Progress report on risk mitigation plan implementation	Achieved	4 reports on strategic risk mitigating action plan implementation	4 reports on strategic risk mitigating action plan implementation	4 reports on strategic risk mitigating action plan implementation	Achieved	N/A	Quarterly report
113	Number of RMAFACC meetings		4 RMAFACC meetings held	Achieved	4 RMAFACC meetings	4 RMAFACC meetings	4 RMAFACC meetings	Achieved	N/A	Notice; Agenda; Minutes & Attendance register

Chapter 3

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Portfolio of Evidence
114	Number of Anti-fraud and anti-corruption workshops/ awareness campaigns conducted		4 anti-fraud and anti-corruption workshops / awareness	Achieved	4 Anti-fraud and anti-corruption workshops/ awareness campaigns conducted	4 Anti-fraud and anti-corruption workshops/ awareness campaigns conducted	4 Anti-fraud and anti-corruption workshops/ awareness campaigns conducted	Achieved	N/A	Workshop/ Awareness campaign material; Attendance registers

Chapter 3

Capital Expenditure 2024/2025 Property; Legal; Risk Management and Procurement Services R' 000					
Capital Projects	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
No capital expenditure relating to property, risk management and procurement services were undertaken					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.28.6*

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

Property services is divided into property administration through the development of leases, deeds of sale, etc under the auspices of the Manager Legal Services within the Corporate Services department. The component dealing with the alienation of property falls within the ambit of the Municipality's Planning and Economic Development's Department under the human settlements unit. Capital projects undertaken relies largely on external grant funding as the Municipality does not have sufficient cash reserves to undertake property development. Partnerships have been created for both residential and commercial property development.

T 3.28.7

Chapter 3

COMPONENT J: MISCELLANEOUS

INTRODUCTION TO MISCELLANEOUS
This component includes the provision of airports, abattoirs, municipal courts and forestry as municipal enterprises. The Municipality does not provide any of these services within its area of jurisdiction.

COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD

The 202/202 Annual Performance Report was compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act of 2000.

The purpose of this report is to provide feedback regarding the performance of Lekwa Local Municipality, noting that the information included in this report is based on the IDP and the approved Adjusted SDBIP for the 2024/2025 financial year. The annual performance report is based on the overall cumulative performance for the period 1 July 2024 to 30 June 2025.

It is against this backdrop that the 2024/2025 Annual Performance Report of Lekwa Local Municipality was prepared and submitted in terms of the Municipal Systems Act of 2003. This report covers the performance information and focuses on the operationalization and implementation of the approved Service Delivery Budget and Implementation Plan (SDBIP) objectives as encapsulated in the Municipality's 2024/2025 Integrated Development Plan (IDP), as approved by the Municipal Council on 4th June 2024. The report seeks to reflect on actual performance of the Municipality as measured against the performance indicators and targets, in line with the six (6) Key Performance Areas (KPAs) which are:

- ✓ Service Delivery and Infrastructure Development
- ✓ Municipal and Institutional Development and Transformation
- ✓ Financial Viability and Management
- ✓ Good Governance and Public Participation
- ✓ Local Economic Development
- ✓ Spatial Rationale

Each KPA has a strategic goal and objectives which were developed to help focus the Municipality on its developmental role in a more coherent manner. The IDP was developed and approved for the 2022-2027 term and was reviewed approved for the 2024/2025 financial year.

The 2024/2025 Annual Performance Report (APR) is presented in terms of section 46 (1) and (2) of the Municipal Systems Act (MSA), Act 32 of 2000, read together with the MFMA Circular 63 on annual reporting and sections 121 (3) (c) and 127(2) of the Local Government: Municipal Finance Management (MFMA) Act 56 of 2003. Every municipality and municipal entity must prepare and adopt an annual report for each financial year in accordance with the MFMA. Section 46 of the MSA provides that an annual performance report must be submitted to the municipal council, which will eventually form part of and be included in the final annual report to be prepared in terms of the MFMA.

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

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

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

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

(c) measures taken to improve performance. "

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.

Performance management is not only relevant to the organisation as a whole, but also to the individuals employed within the organisation and external service providers. The Performance Management System (PMS) Framework, which was adopted on by Council under Resolution A96 on 30 July 2024 by the Municipality inter alia, reflects the linkage between the IDP, Budget, the organisational SDBIP and individual performance.

This report serves as the Annual Performance Report for the 2024/2025 financial year ended 30 June 2025, also taking into account the adjusted SDBIP which was approved by Council under Resolution A45 on 27 March 2025. In the case of underperformance and deviations from meeting set targets, challenges to achieving targets and details pertaining to the relevant measures taken to address these challenges, are also provided. The overall cumulative organisational performance achieved for the period 2024/2025, is at 75% compared to the 2023/24 financial year performance which was at 78%.

For the period under review, the Municipality was still under the mandatory section 139 intervention. On a monthly basis, progress on implementation of the FRP is submitted to National Treasury and on a quarterly basis, progress is tracked and implementation discussed in War Room meetings. The continued effective implementation of the FRP is critical towards the turnaround in the financial and service delivery challenges faced by the Municipality.

Key successes under very trying and challenging circumstances include a senior management team which key towards ensuring that every Department is fully accountable towards the achievement of performance targets. This, supported by a more stable political environment enhances strategic decision making towards service delivery and an improved financial position.

Chapter 3

Sincere gratitude and appreciation is herewith extended to the Honourable Executive Mayor, Mayoral Committee, MPAC, Section 79 and 80 Committees, the Audit and Performance Audit Committee and Council for their strategic direction and leadership during the financial year and our extended management team who remains hands on and take responsibility and accountability towards the preparation of the APR.

According to the provisions of chapter 6 of the Municipal Systems Act, 32 of 2000, municipalities must monitor and measure the progress of their performance by preparing quarterly, mid-year and annual performance reports. These quarterly and mid-year reports make up the municipality's section 46 annual performance report, which is submitted to the Auditor-General South Africa (AGSA), along with the annual financial statements and annual report for auditing. This report is based on information received from each department for assessment of their performance for the cumulative annual performance for the 2024/2025 financial year which ended on 30 June 2025. This is a high-level report based on actual performance per key performance area (KPA), key performance indicators (KPIs) and annual targets in line with the adjusted and approved 2024/2025 SDBIP. The Organisational Performance is evaluated at an organisational level through the Top-layer SDBIP as informed by Departmental targets cutting across the following six KPAs:

- ✓ KPA: Service Delivery and Infrastructure Development
- ✓ KPA: Financial Viability and Management
- ✓ KPA: Local Economic Development
- ✓ KPA: Municipal Institutional Development and Transformation
- ✓ KPA: Good Governance and Community Participation
- ✓ KPA: Spatial Rationale

For the period under review, the Municipality had to address the following key disclaimer audit findings as it related to the 2023/2024 audit of performance objectives:

AUDIT FINDING	CORRECTIVE ACTION TAKEN
Various indicators which are not measurable (Finding 85 COMAF 25)	Management revised indicator definitions, business processes, including data sources and the means of verification. With the assistance of Chapu Chartered Accountants, submitted information has been reviewed to test consistency of the verifiability and measurability to support reported annual performance.
Municipal council did not adopt the oversight annual report within two (2) months after the date in which the annual report for the 2022/2023 financial year-end was tabled in municipal	The Municipal council has adopted without reservation the 2023/2024 Oversight Report by 27th March 2025.

council in terms of Section 129(1) of the Municipal Finance Management Act, 2003 (Act no. 56 of 2003).	
During the audit of performance information, the auditor identified that the Municipality did not disclose and present the annual performance report as required by Municipal System Act 46(1), the actual performance for the indicators below is not compared to prior year performance in the APR.	Consolidated quarterly reports used to prepare APR. Review of consolidated draft APR includes comparative 2023/24 and 2024/25 actual performance. This finding was cleared during the 2023/24 audit. The 2024/2025 APR also includes comparative performance.

On a quarterly basis, the SDBIP performance report was prepared and reviewed by the Performance Management System (PMS) unit, prior to the report being submitted to Internal Audit for auditing. The assessment of performance reports and supporting portfolios of evidence by the PMS-unit provides an initial review processes, whereafter the final quality assurance is provided by the Internal Audit unit. These audited performance reports are subsequently submitted at the various platforms which include Top Management Committee and the Mayoral Committee. These reports are ultimately presented through the Audit Committee Chairperson to Council.

The overall performance of Lekwa Local Municipality is based on the Departmental Performance scorecards which is aligned to the IDP and approved Adjusted SDBIP KPI's applicable to each department in terms of their respective contribution thereto. The departmental scorecard information is, for the purpose of annual performance reporting reconfigured into reporting per KPA, in line with the approved and adjusted 2024/2025 SDBIP. Results are presented in the form of an audited score of whether a target was achieved or not achieved. The total number of targets that are achieved and not achieved are counted and a total is allocated to determine the overall level of performance.

For the 2024/2025 period under review, both administrative and governance structures were in place. In respect of the Audit Committee, as per the provisions of the Municipal Planning and Performance Management Regulation 14(2)(c), the Municipality utilised its established Audit Committee as its Performance Audit Committee. The following are the members and invited representatives who served on the Audit Committee for the year under review:

- Mr. P. Rambuda (Audit Committee Chairperson)
- Mr. S Dube (Audit Committee member)
- Mr. I Motala (Audit Committee member)

The Audit Committee held meetings on the following dates:

- 2024-07-26
- 2024-08-23
- 2024-10-24
- 2025-01-24
- 2025-04-25

Under the guidance and leadership of the Municipal Manager, Mr M.J. Lamola, the senior management team was constituted as follows:

(a) Executive Manager Community Services & Safety: T Mtshiselwa

(b) Executive Manager Technical Services: MS Jiyane

(c) Chief Financial Officer: Ms. V Nkatha

(d) The positions of Executive Manager Corporate Services and Executive Manager Planning and Economic Development was vacant during the period under review, with these position being filled in acting capacities for the remainder of the financial year. The appointed senior managers all signed their performance agreements within the required 30 days of the commencement of the financial year.

The Local Government: Municipal Staff Regulations promulgated in 2020 which objectives inter alia provides for a local public administration that is fair, effective and transparent and to create a development oriented local administration that is governed by accountable and ethical standards, the cascading of individual performance reviews have been implemented within the Municipality. An implementation plan has been put in place towards fully implementing the said Regulations.

This Annual Performance Report provides an overview of performance information, based on progress made against predetermined objectives towards meeting set targets in line with the approved SDBIP. Every effort has been made to ensure that the Annual Performance Report (APR) reflects accurate non-financial performance information that provides a reflection on achievements against predetermined objectives and KPIs, in line with the SDBIP targets for the year under review. Through the reporting on and auditing of performance information governance and oversight structures are afforded an opportunity to account to communities and stakeholders on organisational municipal performance, from an independent source, the Auditor General of South Africa.

The audit of predetermined objectives is regarded as an annual procedure for reporting on actual performance against set predetermined objectives of the Municipality to provide assurance to Council, members of the public and other relevant stakeholders that the "actual performance reported" is useful, reliable and accurate. The objective of an audit of predetermined objectives is to enable AGSA to conclude whether the reported performance against predetermined objectives is useful and reliable, in all material respects, based on predetermined audit criteria. This audit is executed as an integral part of the annual regularity audit, to confirm compliance with applicable laws and regulations as well as the usefulness and reliability of the reported performance information to be published in the annual report of the Municipality. Through the independent auditing of predetermined objectives, quality assurance is aimed at giving effect to the economical procurement and efficient and effective utilisation of resources. To this end the following key concepts are critical in this regard:

1. Economy: for the procurement of resources of the right quality in the right quantities at the right time and place at the lowest possible cost;
2. Efficiency: To achieve the optimal relationship between the output of goods, services or results and the resources used to produce them;
3. Effectiveness: To achieve policy objectives, operational goals and other intended outcomes.

Through the audit of predetermined objectives, democracy is strengthened by enabling oversight, accountability and good governance in the public sector following which such findings are reported accordingly.

The AGSA had the responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for a selected development priority presented in the annual performance report. Procedures were performed to identify material findings. The usefulness and reliability of the reported performance information was evaluated in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2024. From the audit of performance information, the accuracy of various reported achievements could not be determined, as indicators were not well defined, and could thus not verify the methods and processes used to measure the achievements. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.

Development priorities	Opinion	Movement
Basic Service Delivery	Qualification	Improved

The following was noted in respect of the material findings on the audit of performance information:

(a) The accuracy of 10 indicators could not be determined as the indicators were not well-defined and the methods and processes used to measure reported achievements could not be verified;
(b) Four indicators, reported achievement did not agree to actual achievement reported;
(c) Three indicators, measured provided aimed at improving underperformance, adequate supporting evidence was not provided
(d) In respect of material misstatements, in the annual performance report, were not all corrected and thus reported as material findings in the management report.

Chapter 3

The 2024/2025 annual performance report was prepared based on the institutional Performance Scorecard (SDBIP) of the Municipality. The report was submitted in line with section 126 (1) (a) of the MFMA, within two months after the end of the financial year to which the financial statements relate, to the Audit Committee, Mayoral Committee and Council. The Annual Performance Report was submitted to the Auditor-General for auditing together with the unaudited 2024/2025 Annual Financial Statements.

The 2024/2025 annual performance report, as audited is incorporated into the 2024/2025 Annual Report, as provided for by section 121 (3) (c) of the MFMA which stipulates that the annual report must inter alia include the audited Annual Performance Report of the Municipality as prepared in terms of section 46 of the MSA.

The organisational performance report relates to achievements for the financial year under review as well as corrective measures to be taken to improve areas of under achievement. This section of the Annual Performance Report will reflect the Municipality's actual performance against the planned targets as contained in the Municipality's SDBIP as per the six (6) KPA's based on the approved SDBIP.

7.1 The following table below is a breakdown of performance per KPA in line with its KPIs:

KEY PERFORMANCE AREA	2023/2024				2024/2025			
	Achieved	% Achieved	Not Achieved	% Not Achieved	Achieved	% Achieved	Not Achieved	% Not Achieved
Basic Service Delivery and Infrastructure Development	27	77	8	23	29	83	6	17
Municipal Transformation and Institutional Development	16	80	4	20	18	78	5	22
Spatial Rational	18	86	3	14	19	79	5	21
Local Economic Development	5	63	3	37	4	80	1	20
Good Governance and Public Participation	30	79	8	21	29	76	9	24
Financial Viability and Management	7	70	3	30	7	41	10	59
TOTALS	**103**	**78%**	**29**	**22%**	**106**	**75%**	**36**	**25%**

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KEY PERFORMANCE AREA	2023/2024				2024/2025			
	Achieved	% Achieved	Not Achieved	% Not Achieved	Achieved	% Achieved	Not Achieved	% Not Achieved
Total KPIs	**132**							

7.1 The graphs below depict the level of performance per KPA for the 2023/24 and 2024/25 financial years as outlined above:

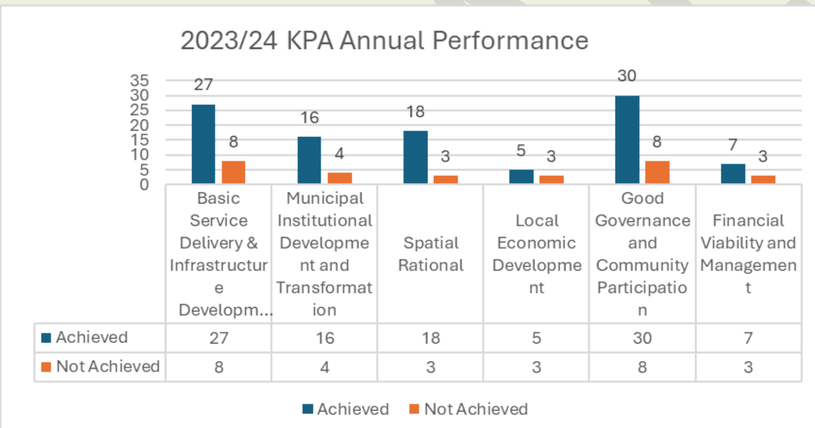

Figure 1: 2023/2024 Performance per KPA

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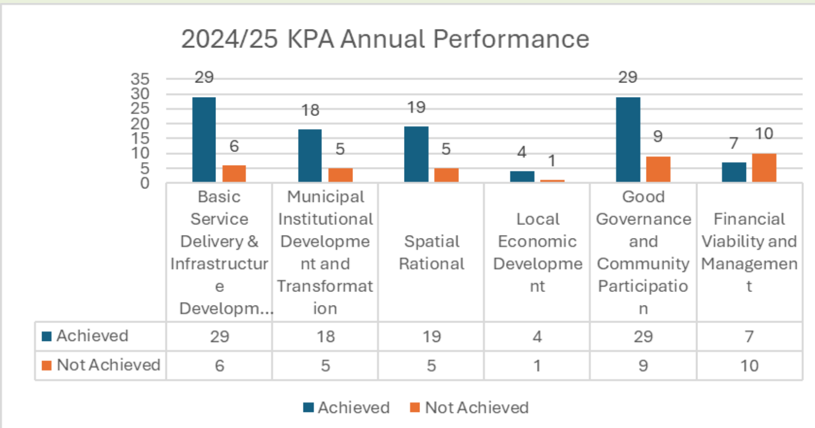

Figure 2: 2024/2025 Performance per KPA

7.2 The following provides a general summary of performance achievements and areas for improvement per KPA:

Key Performance Areas	Significant Highlights	Areas of underperformance
Basic Service Delivery and Infrastructure Development	Capital project implementation and expenditure was on track, with projects complete in line with planned targets. Operation and maintenance plans, which were long outstanding have been developed for sanitation services; electricity, an energy efficiency and demand management strategy as well as a fleet maintenance plan	Some operational activities were not implemented as planned.
Municipal Transformation and Institutional Development	The implementation of individual performance management is being implemented and has been cascaded to all levels below senior managers	The overall implementation and conducting of performance reviews still requires attention for improved individual accountability towards

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Key Performance Areas	Significant Highlights	Areas of underperformance
	Automation of the leave management and document management systems for improved administrative efficiency	overall improved organisational performance
Spatial Rational	Implementation of spatial development framework for approval of land use applications	Slow progress has been made on the implementation of human settlements projects, considering the dire need for low-income residential developments
Local Economic Development	The municipality is actively involved in CSI and SLP projects	The non-functionality of the LED Forum also impacted the planned Economic development summit
Good Governance and Public Participation	Governance structures, both the Risk Management and Audit Committee are fully functional and is a great value add towards organisational accountability	Council and committees of council not convening meetings according to the approved schedule impacts on legislative compliance
Financial Viability and Management	Improved contract management to reduce UIFW expenditure	Low cost coverage and revenue collection remains a concern towards the long term financial sustainability of the Municipality

7.8 Comparative 2022/2023 and 2023/2024 Annual Report

As part of strengthening governance, accountability and oversight, Council delegated the Municipal Public Accounts Committee (MPAC) to exercise an oversight role in respect of the annual report. The 2022/2023 Annual Report was tabled by MPAC to Council at a sitting on 2 July 2024 under Council Resolution A68, where the report was adopted without reservation. The late tabling of the Oversight Report resulted in a legislative non-compliance finding. In respect of the 2023/2024 Oversight Report, MPAC tabled the report, which was adopted without reservation under Council Resolution A47 on 27 March 2025. In comparison, Council has steadily improved and gained political stability in the 2024/25 period.

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The performance of service providers is monitored through a signed Service Level Agreement (SLA). It remains the responsibility of a department, to ensure that the necessary SLA is in place and the performance of a service provider is monitored. In addition, the end user department provides monthly reports to the Supply Chain Management (SCM) unit. Appointed service providers who fail to perform are reported to SCM and the necessary remedial action follows, including, but not limited to, the termination of the contract.

In view of the fact that the previous year's APR did not include information on external service provider performance, the following provides a general reflection in respect thereof, based on the assessment by user departments, as follows:

(a) Service provider performance was found to be acceptable across the board;
(b) Instances where the service was not at a satisfactory level, was largely due to key timelines not being met;
(c) Certain suppliers were appointed on an as and when required basis for operational reasons. The aforementioned service providers' performance will therefore be assessed when such service is utilised.

The reporting on credible performance information plays a significant role in good governance and accountability within any organisation.

The greater the focus therefore is on the quality and timely auditing of performance information to provide assurance that the performance information is reliable, relevant and accurate.

Performance information and reporting focuses the attention of the public and oversight bodies on whether public institutions such as municipalities are delivering value for money, by comparing their performance against their budgets and service delivery plans. It is also intended to alert managers to areas where corrective action is required. The most important reason for measuring performance is that what gets measured gets done. If an institution knows that its performance is being monitored, it is more likely to perform the required tasks and perform them well. This can greatly enhance the level of public confidence that communities and other stakeholders can once again have in the Municipality.

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The organisational performance report relates to achievements for the financial year under review as well as reflecting corrective measures taken to improve areas of under achievement, as contained below:

Municipal KPA: Basic Service Delivery and Infrastructure Development

Municipal Priority:

Improve water and sanitation provision

Provide reliable electricity supply

Provision of safe and dependable roads

Provision of efficient and effective fleet services

Strategic Objective:

Provision of basic services (water 100%, sanitation 100%, electricity 100% and roads 100%)

Provision of basic services (solid waste removal by 100%, emergency fire, traffic control, disaster management, parks and recreational facilities and libraries

Impact Statement:

Improved quality of life and safe living

MTSF Target:

Improved access to basic services (water 100%, sanitation 100%, electricity 100% and roads 207km of Roads paved/tarred)

Improved access to basic services such as waste 100% emergency fire, traffic control, disaster management, parks and recreational facilities and libraries

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
1	Number of water leaks repaired		1140 water leaks repaired (+140 variance)	Achieved	1000 water leaks repaired	1000 water leaks repaired	1151		Achieved		OPEX	
2	Number of water meters replaced		New KPI	New KPI	120 water meters replaced	90 water meters replaced	88		Not Achieved	Management will establish a metering section that will focus on water metering and installation that is adequately resourced	OPEX	Limited stores stock availablity of water meters

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
3	Number of boreholes installed		2 Boreholes installed	Achieved	3 boreholes installed	3 boreholes installed	2 boreholes installed		Not Achieved	Identify alternative site for drilling of new borehole	OPEX	Correct funding source
4	Number of boreholes refurbished		New KPI		6 boreholes refurbished	6 boreholes refurbished	16 boreholes refurbished		Achieved		OPEX	Correct funding source

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
5	Number of boreholes refurbished		New KPI		6 boreholes refurbished	6 boreholes refurbished	7 boreholes refurbished		Achieved		OPEX	
6	Number of VIP toilets installed		100 VIP Toilets installed	Achieved	150 VIP toilets installed	150 VIP toilets installed	165 VIP toilets installed		Achieved		MIG	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
7	Number of VIP toilets desludged		New KPI		150 VIP toilets desludged	150 VIP toilets desludged	150		Achieved		MIG	
8	Percentage sewer spillages attended		New KPI		100% sewer spillages attended	100% sewer spillages attended	100%		Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
9	Number of sewer pump stations inspected and maintained	KPI removed	New KPI		13 sewer pump station inspected and maintained	KPI Removed			KPI Removed		OPEX	Maintenance of pump stations will commence once the appointed contractor has completed the current upgrades and refurbishment of pump

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
												stations
10	Percentage construction of switching station at Rooikoppen - Phase 1		New KPI		50% Construction of Switching Station at Rooikoppen. – Phase 1	50% Construction of Switching Station at Rooikoppen. – Phase 1	Construction @ 55%.		Achieved		INEP	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
11	Percentage construction of 6km 11kv line between A Substation and Rooikoppen - Phase 1		100% completed designs on 11 KV line	Achieved	50% Construction of 6km, 11kV line between A Substation and Rooikoppen.- Phase 1	50% Construction of 6km, 11kV line between A Substation and Rooikoppen.- Phase 1	Achieved. Construction @85%.		Achieved		INEP	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
12	Number of progress reports on application to Eskom for Notified Maximum Demand (NMD) upgrade		KPI Removed: 2023/24 FY	KPI Removed: 2023/24 FY	4 Progress reports of application to Eskom for NMD upgrade	4 Progress reports of application to Eskom for NMD upgrade	2 Progress reports submitted an application to Eskom for NMD upgrade		Not Achieved		N/A	
13	Number of high mast lights installed		100% design and tender documentation for installation of high mast lights concluded	Achieved	10 high mast lights installed	10 high mast lights installed	26 High mast lights installed		Achieved		MIG	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
14	Number of street lights repaired		977 Street lights repaired (+577 variance)	Achieved	400 street lights repaired	400 street lights repaired	353 streetlights repaired		Not Achieved	Procurement of materials for street lights repairs for the 202526 FY	OPEX	
15	Number of high mast lights repaired		114 High mast lights repaired (+94 variance)	Achieved	20 high mast lights repaired	20 high mast lights repaired	22 High Mast Lights repaired		Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
16	% high mast and street lights retrofitted with energy efficient lights	Number of lights on highmasts and street lights retrofitted with energy efficient lights	New KPI	New KPI	100% high mast lights and street lights retrofitted with energy efficient lights	243 fittings replaced on highmast lights; 227 light fittings replaced on street lights	243 lights on high masts retrofitted with energy efficient lights 227 lights on street lights retrofitted with energy efficient lights		Achieved		EEDSM	KPI & Target adjusted to a number instead of percentage

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
17	Number of electricity meters installed		3128 Electricity meters installed (+3028 variance)	Achieved	100 electricity meters installed	100 electricity meters installed	534 electricity meters installed		Achieved		OPEX	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
18	Number of EDMS strategy interventions implemented		Energy Efficiency and Demand Side Management (EEDSM) Strategy developed	Achieved	4 EEDMS strategy interventions implemented	4 EEDMS strategy interventions implemented	School competition on awareness campaign on energy saving		Not Achieved		OPEX	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
19	Number of electricity infrastructure rehabilitation interventions implemented		Electricity Maintenance Plan developed	Achieved	4 Electricity infrastructure rehabilitation interventions implemented	4 Electricity infrastructure rehabilitation interventions implemented	Electrical protection system at C SUB rehabilitated in Q1		Not Achieved	Tast track procurement processes to undertake repairs in 25/26 FY	OPEX	
20	Percentage rehabilitation of 1km of Vry Street	Meters of Vry Street rehabilitated	New KPI		100% rehabilitation of 1km of Vry Street	1000m of Vry Street rehabilitated	1000m of Vry Street rehabilitated		Achieved		Municipal Disaster Recovery Grant	KPI & Target adjusted to km instead of percentage

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
21	Number of progress reports for sourcing funds for rehabilitation of roads		New KPI		4 Progress reports on sourcing funds for rehabilitation of roads application to Eskom for NMD upgrade	4 Progress reports on sourcing funds for rehabilitation of roads application to Eskom for NMD upgrade	4 Progress reports on sourcing funds for rehabilitation of roads submitted		Achieved		N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
22	Square meters of pothole patched		New KPI		10 000 square meters of pothole patching	10 000 square meters of pothole patching	5860 square meters potholes patched	6820 square meters potholes patched	Not Achieved	Remaining m² will included in the 2025/2026 FY targets, due to financial constraints and ageing roads infrastructure network, the municipality will also strengthe	OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
										n relations with other stakeholders such as (SANRAL, NDOT, PWR&T, GSDM) to assist with pothole patching		

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
23	Number of vehicles procured		7 Vehicles procured (Variance of +3 due to additional finding set aside to procure vehicles)	Achieved	4 Vehicles procured	4 Vehicles procured	4 Vehicles procured		Achieved		OPEX	
24	Number of vehicles disposed		0 Vehicles disposed	Not Achieved	8 vehicles disposed	8 vehicles disposed	8 vehicles disposed		Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
25	Percentage municipal fleet maintained		Fleet maintenance plan developed	Achieved	100% municipal fleet maintained	100% municipal fleet maintained	100% municipal fleet maintained	31% municipal fleet maintained	Not Achieved	Management is in the process of printing book format in duplicate format to improve record keeping of material / services of vehicles outsourced , to be requisitioned through Stores or Supply Chain. Job card books will also be developed for internal works to be done on vehicles.	OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
26	Percentage of households with access to refuse removal		99% (-1 variance)	Not Achieved	100% households with access to refuse removal service	100% households with access to refuse removal service	100% households with access to refuse removal service		Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
27	Percentage of businesses with access to refuse removal		99,5% (-0,50 variance)	Not Achieved	100% of businesses with access to refuse removal service	100% of businesses with access to refuse removal service	% of businesses with access to refuse removal service		Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
28	% Completed designs for Morgenzon landfill site rehabilitation		8% progress toward Morgenzon landfill site designs. Consultant appointed for designs.	Not Achieved	100% Completed designs for Morgenzon landfill site rehabilitation	100% Completed designs for Morgenzon landfill site rehabilitation	100% Completed designs for Morgenzon landfill site rehabilitation		Achieved		MIG	Ensure completion of tender documents for appointment of contractor in 25/26 FY
29	Percentage construction of 1 Cemetery		New KPI	New KPI	75% Cemetery constructed	75% Cemetery constructed	Construction @ 79%.		Achieved		MIG	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
30	Number of illegal dumping sites cleaned		48 Illegal dumping sites cleaned (+42 variance)	Achieved	12 Illegal dumping sites cleaned	12 Illegal dumping sites cleaned	12 Illegal dumping sites cleaned		Achieved		OPEX	
31	Percentage emergency, fire and rescue incidents attended		100% Emergency, fire and rescue services rendered	Achieved	100% Emergency, fire and rescue incidents attended	100% Emergency, fire and rescue incidents attended	100% Emergency, fire and rescue incidents attended		Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
32	Number of safety awareness campaigns conducted		10 safety awareness campaigns conducted (-2 variance)	Not Achieved	12 Safety awareness campaigns conducted	12 Safety awareness campaigns conducted	17 Safety awareness campaigns conducted		Achieved		OPEX	
33	Number of roadblocks conducted		18 roadblocks conducted (-30 variance)	Not Achieved	48 Roadblocks conducted	48 Roadblocks conducted	48 Roadblocks conducted		Achieved		OPEX	
34	Number of cemeteries maintained		7 Cemeteries maintained (+3 variance)	Achieved	12 Cemeteries maintained	12 Cemeteries maintained	12 Cemeteries		Achieved	None	OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
35	Number of parks and amenities maintained		12 Parks maintained	Achieved	12 Parks and amenities maintained	12 Parks and amenities maintained	47 Parks and amenities maintained		Achieved		OPEX	
36	Number of library promotions conducted		4 Library promotions conducted	Achieved	4 library promotions conducted	4 library promotions conducted	4 Library promotions conducted		Achieved		OPEX	

Municipal KPA: Municipal Transformation and Institutional Development
Municipal Priority:

Improved and capable institution

Customer Care

Improved individual and organizational performance

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment

Strategic Objective:

Improved organisational performance

Impact Statement:

Improved organizational performance and administrative capabilities

MTSF Target:

A capable, ethical and developmental state

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Revenue/Funding Source	Reason for Adjustment

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
37	100% senior management with signed performance agreements		100%	Achieved	100%	100%	100% of appointed senior managers with signed performance agreements in place		Achieved		N/A	Performance agreements finalised within 30 days of beginning of financial year. Anticipated filling of vacant senior manager position

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
												s not yet finalised
38	100% senior management performance assessments conducted		0%	Not Achieved	100%	100%	40% senior management performance assessments conducted		Not Achieved	Adherence to schedule of performance review	N/A	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
39	Number of Top Management formal (minuted) meetings attended by senior managers		New KPI	New KPI	12 Top Management meetings held	12 Top Management meetings held			Achieved		N/A	
40	Annually reviewed organogram		Organgram reviewed	Achieved	Organogram reviewed by 30 June 2025	Organogram reviewed by 30 June 2025	Oganogram approved on 2025-06-27		Achieved		N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
41	Annually approved and implemented recruitment plan		Recruitment plan approved and implemented	Achieved	Recruitment plan developed and implemented	Recruitment plan developed and implemented	Approved and implemented recruitment plan		Achieved		N/A	
42	Approved HRD Strategy		HRD Strategy developed	Achieved	HRD Strategy approved by 30 September 2024	HRD Strategy approved by 30 June 2025	HRD strategy not approved as per the annual target		Not Achieved		N/A	Target not achieved as planned. Deferred to Q4

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
43	Date for submission of Workplace Skills Plan (WSP) to LGSeta		WSP developed	Achieved	Workplace Skills Plan submitted by 30 April 2025	Workplace Skills Plan submitted by 30 April 2025	WSP submitted on 2025-04-29		Achieved		N/A	
44	Date for submission of Employment Equity Plan to Department of Labour		1 EE plan submitted	Achieved	Employment Equity Report for 2024 submitted to Dept. of Employment and Labour by 15 January	Employment Equity Report for 2024 submitted to Dept. of Employment and Labour by 15 January	EER submitted to DOEL on 2025-01-15		Achieved		N/A	

Chapter 3

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
					2025	2025						

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
45	Number of HRD and Employment Equity Committee meetings held		New KPI	New KPI	4 HRD and Employment Equity Committee (HRD & EE) meetings held	4 HRD and Employment Equity Committee (HRD & EE) meetings held	3 HRD and Employment Equity Committee meetings held		Not Achieved		N/A	
46	Number of reports on implementation of leave management		4 Reports	Achieved	4 Reports on implementation of leave management	4 Reports on implementation of leave management	4 Reports on implementation of leave management		Achieved		N/A	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
47	Number of reports on implementation of IPMS		4 Reports	Achieved	4 Reports on implementation of IPMS	4 Reports on implementation of IPMS	4 Reports on implementation of IPMS		Achieved		N/A	
48	Percentage employees with signed performance agreements		21% employees with signed performance agreements	Not Achieved	100% employees with signed performance agreements	100% employees with signed performance agreements	100% Employees with signed performance agreements		Achieved		N/A	

Chapter 3

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
49	Number of reports on document management system implementation		4 Reports	Achieved	4 Reports on document management system	4 Reports on document management system			Achieved		N/A	
50	Percentage of job descriptions updated		20% job descriptions reviewed	Achieved	20% of job descriptions updated	20% of job descriptions updated	97% job descriptions updated		Achieved		N/A	
51	Report on verified qualifications		1 Report	Achieved	1 Report on qualifications verified	1 Report on qualifications verified	1 Report on qualifications verified		Achieved		OPEX	

Chapter 3

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
52	Number of reports on skills audit conducted		100% skills audit conducted	Achieved	Number of reports on skills audit conducted	Number of reports on skills audit conducted	1 Report on skills audit conducted		Achieved		N/A	
53	Number of LLF meetings held		12 LLF Meetings held	Achieved	12 LLF Meetings held	12 LLF Meetings held	11 LLF Meetings held		Not Achieved		N/A	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
54	Number of workshops conducted on prosecuting and presiding disciplinary cases		2 Workshops conducted	Achieved	2 Workshops on prosecuting and presiding disciplinary cases conducted	2 Workshops on prosecuting and presiding disciplinary cases conducted	2 Workshops conducted on prosecuting and presiding disciplinary cases		Achieved		N/A	
55	Number of reports on disciplinary matters attended to		4 Reports	Achieved	4 Reports	4 Reports	4 Reports on disciplinary matters attended to		Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
56	Number of reports on customer care service centre operations		4 Reports	Achieved	4 Reports	4 Reports	4 Reports on customer care service centre operations		Achieved		N/A	
57	Number of reports on ICT infrastructure upgrade		15%	Not Achieved	4 Reports on ICT infrastructure upgrade	4 Reports on ICT infrastructure upgrade			Achieved		OPEX	
58	Number of OHS Committee meetings held		New KPI		4 quarterly OHS Committee meetings	4 quarterly OHS Committee meetings	4 OHS Committee meetings held		Achieved		N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
59	Number of Wellness Campaigns implemented		New KPI		4 Employee Health and Wellness Campaign per year	4 Employee Health and Wellness Campaign per year	3 Wellness Campaigns implemented		Not Achieved		OPEX	

Municipal KPA: Spatial Rationale

Municipal Priority:

Integrated human settlements

Strategic Objective:

Viable communities

Impact Statement:

Reduced unemployment and poverty

MTSF Target:

Spatial integration, human settlements and local government

Chapter 3

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Revenue/Funding Source	Reason for Adjustment

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
60	Number of IDP reviewal and approval		Q1: Situational Analysis Report developed, Q2: Strategic Development Report developed, Q3: Draft IDP approved 02 April 2024 , Q4: Final IDP approved 04 June 2024	Achieved	2024/25 IDP approved	2024/25 IDP approved	2025/2026 IDP reviewed and approved 29 May 2025		Achieved	N/A	OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
61	Number of IDP/Budget /PMS process plans approved		Process Plan adopted by Council on 2023-08-29	Achieved	Council adopted IDP, Budget and PMS process plan	Council adopted IDP, Budget and PMS process plan	Process Plan adopted 30 August 2024		Achieved	N/A	N/A	
62	Number of strategic planning sessions convened		Strategic Planning session convened 4-5 March 2024 @ Waterfront Lodge	Achieved	1 Strategic Planning Session	1 Strategic Planning Session	Strategic Planning session held 11-13 February 2025		Achieved	N/A	OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
63	Number of IDP Representative Forum Meetings convened		4 IDP Representative Forum meetings convened	Achieved	4 IDP Representative Forum meetings	4 IDP Representative Forum meetings	4 IDP Representative Forum meetings convened		Achieved	N/A	OPEX	
64	Number of IDP/Budget /PMS Steering Committee meetings convened		New KPI		4 IDP/ Budget/ PMS Steering Committee meetings	4 IDP/ Budget/ PMS Steering Committee meetings	4 IDP/Budget/ PMS Steering committee meetings held however, 1 held outside planned quarter		Not Achieved	2 meetings scheduled in one quarter	N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
65	Number of community IDP consultations convened		New KPI		60 IDP Community Consultations convened	60 IDP Community Consultations convened	60 community consultation meetings held		Achieved	N/A	OPEX	
66	Number of housing beneficiaries registered(NHNR)		4 Reports (6523 beneficiaries)registered	Achieved	2500 beneficiaries registered	2500 beneficiaries registered	5422 Beneficiaries registered		Achieved	N/A	N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
67	Number of reports on title deeds issued to the rightful owners		3 Progress reports on 200 Title deeds transferred	Not Achieved	300 title deeds issued to rightful owners	300 title deeds issued to rightful owners	300 title deeds issued		Achieved	N/A	DoHS	
68	Number of beneficiaries educated on human settlements programmes		4 Human Settlements Awareness Campaigns	Achieved	1000 beneficiaries	1000 beneficiaries	1426		Achieved	N/A	OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
69	Number of reports on human settlements projects implemented		4 Reports	Achieved	4 Reports on human settlements projects implemented	4 Reports on human settlements projects implemented	4 reports submitted		Achieved	N/A	DoHS	
70	Number of reports on Land Invasion cases.		3 Land Invasion Reports	Not Achieved	4 progress reports on land invasion cases	4 progress reports on land invasion cases	4 reports submitted		Achieved	N/A	OPEX	
71	Number of reports on informal settlements profiled		New KPI		4 informal settlements profiled	4 informal settlements profiled	4 Reports on informal settlements profiled		Achieved	N/A	OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
72	Number of reports on township establishment		4 Reports	Achieved	4 Progress reports on 3 townships established (Morgenzon Ext 5, Sakhile Ext 7, Standerton Ext 11)	4 Progress reports on 3 townships established (Morgenzon Ext 5, Sakhile Ext 7, Standerton Ext 11)	Morgenzon Extension 5 Has been approved by MPT, Standerton Ext 11 is still on hold and Sakhile Extension 7 is still in progress.		Achieved	None	N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
73	Number of reports on development applications processed		4 Reports	Achieved	4 Reports on development applications processed	4 Reports on development applications processed	Applications are processed and approved as and when submitted		Achieved	None	N/A	
74	Number of reports on implementation of Bulk Contribution Policy		4 Reports	Achieved	4 Reports on Implementation of Bulk Contribution Policy.	4 Reports on Implementation of Bulk Contribution Policy.	Bulk contribution is collected in line with signed agreements		Achieved	None	N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
75	Number of progress reports on review of Spatial Development Framework		4 Reports	Achieved	Review of Spatial Development Framework	Review of Spatial Development Framework	Service Provider has been appointed for the review of the SDF and Project has rolled over 25/26		Achieved	The project is at inception phase and is expected to run for a period of 10months	OPEX	
76	Number of reports on registration with Deeds Office of subdivided properties		New KPI		4 progress reports on registration with Deeds Office of	4 progress reports on registration with Deeds Office of	0 properties have registered with deeds		Not Achieved	Appoint service provider with relevant skills to undertake the	OPEX	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
					subdivided properties	subdivided properties				project		
77	Number of progress reports on precinct plans developed		4 Reports	Achieved	4 Progress reports on development of 2 precinct plans for Sakhile -Tsotetsi Str &Hlongw	4 Progress reports on development of 2 precinct plans for Sakhile -Tsotetsi Str &Hlongw	Service provider has not been appointed		Not Achieved	Appointment of service provider and budget must be availed to allow for project commencement	OPEX	

Chapter 3

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
					ane Drive	ane Drive						

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
78	Number of reports of properties disposed		3 Reports	Not Achieved	4 Progress reports on 15 properties identified for disposal	4 Progress reports on 15 properties identified for disposal	33 Municipal properties were earmarked for disposal via a public tender, advertised 2024-09-01 and closed 2024-10-28.		Achieved	N/A	OPEX	

Chapter 3

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
79	Number of reports on lease agreements concluded		4 Reports	Achieved	4 Progress Reports on Leased Properties	4 Progress Reports on Leased Properties	45 Municipal properties leased with a total income generated in 2024-25 of R2 880 000		Achieved	N/A	OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
80	Number of reports on regional cemeteries established		4 Reports	Achieved	4 progress reports on the establishment of 1 regional cemetery - Standerton	4 progress reports on the establishment of 1 regional cemetery - Standerton	4 progress reports on the establishment of 1 regional cemetery - Standerton		Achieved	Resolve objection, then project will conclude and budget spent	N/A	
81	Number of reports on building plans approved within 30 days		75 Building Plans approved	Achieved	50 Building Plans Approved within 30 Days	50 Building Plans Approved within 30 Days	95 Building plans approved within 30 days		Achieved	N/A	OPEX	

Chapter 3

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
82	Number of reports on managing outdoor advertising		Outdoor advertising managed	Achieved	Management of outdoor advertising	Management of outdoor advertising	4 Reports on managing outdoor advertising		Achieved	N/A	OPEX	
83	Number of reports relocation of informal settlements		4 Reports	Achieved	4 Progress reports on 1 informal settlement relocated from Enkanini Camp; Mamsy Village	4 Progress reports on 1 informal settlement relocated from Enkanini Camp; Mamsy Village	4 Progress reports on 1 informal settlement relocated from Enkanini Camp; Mamsy Village		Achieved	This project is being delayed by the slow progress made at the Surveyor-General's Offices in Nelspruit. The	OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
										service provider is engaging them on the approval of the diagrams on a weekly basis. Once approval from Surveyor-General has been granted, the		

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
										application will be lodged with the Registrar of Deeds for conclusion.		

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
Municipal KPA: Local Economic Development **Municipal Priority:** Economic growth Reduced unemployment and grow economic growth **Strategic Objective:** Promote inclusive and sustainable economic growth and investment **Impact Statement:** Reduced unemployment and poverty **MTSF Target:** Spatial integration, human settlements, and local government												

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Revenue/Funding Source	Reason for Adjustment
84	Number of reports on implementation of agricultural development strategy		4 Reports	Achieved	4 Reports on implementation of agricultural development strategy.	4 Reports on implementation of agricultural development strategy.	4 Reports on implementation of agricultural development strategy.		Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
85	Number of reports on implementation of tourism development strategy		3 Reports	Not Achieved	4 Reports on implementation of tourism development strategy.	4 Reports on implementation of tourism development strategy.	4 Reports on implementation of tourism development strategy.		Achieved		OPEX	
86	Number of SMMEs supported through with training interventions		50 SMMEs supported	Achieved	50 SMMEs supported through training interventions	50 SMMEs supported through training interventions	86 SMMEs supported through training interventions		Achieved	n/a	OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
87	Number of LED Forums convened	Number of reports on LED Forum activities	0 LED Forum meetings	Not Achieved	4 LED Forums convened	2 Reports on LED Forum activities	1 LED Forum convened		Not Achieved	LED Forums will be held per sector to avoid disruptions	OPEX	Provide reports on reviving LED.
88	Economic Development Summit held by 30 June 2025		Economic Summit not held	Not Achieved	1 Economic Development Summit.	1 Economic Development Summit.	1 Executive Mayoral Unemployment Dialogue held in Q4		Achieved		OPEX	

Municipal KPA: Good governance and public participation

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment

Municipal Priority:

Improved audit outcome

Community participation

Strategic Objective:

Sustain good corporate governance through effective and accountable administration

Impact Statement:

Enhanced and strengthened community participation

MTSF Target:

Accountable governance and public participation

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not	Corrective measures	Revenue/Funding Source	Reason for Adjustment

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
		KPI							Achieved)			
89	Date for approval of Schedule of Council and sub-committee meetings		1 approved Schedule of Council and Sub-Committees	Achieved	1 approved Schedule of Council and Sub-Committee meetings	1 approved Schedule of Council and Sub-Committee meetings	Schedule of Council and sub-committee meetings approved on 2025-06-27		Achieved		N/A	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
90	Percentage implementation of Council Resolutions		4 Council Resolutions implementation tracking register	Achieved	100% implementation of council resolutions	100% implementation of council resolutions	75% implementation of Council resolutions		Not Achieved		N/A	
91	Number of Mayoral Committee sittings held		4 Mayoral Committee sittings	Achieved	4 Mayoral Committee sittings	4 Mayoral Committee sittings	10 Mayoral committee meetings		Achieved		N/A	
92	Number of section 79 meetings held		18 Section 79 meetings	Achieved	24 Section 79 meetings to be held	24 Section 79 meetings to be held	32 Section 79 committee meetings		Achieved		N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
93	Number of section 80 meetings held		12 Section 80 Meetings	Not Achieved	20 Section 80 meetings to be held	20 Section 80 meetings to be held	31 Section 80 committee meetings		Achieved		N/A	
94	Percentage of legislated documents and notices placed on municipal website and advertised in local newspaper		100% legislated documents and notices placed on municipal website and advertised in local newspaper	Achieved	100% of legislated documents and notices placed on municipal website and advertised in local newspaper	100% of legislated documents and notices placed on municipal website and advertised in local newspaper	100% legislated notices placed on the municipal website and advertise d on local newspaper		Achieved	None	OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
95	Percentage reduction in litigious matters against the Municipality		10%	Not Achieved	100% reduction in litigious matters against the Municipality	100% reduction in litigious matters against the Municipality	28%		Not Achieved	Continuous observation of court directives	OPEX	
96	Percentage increase in litigation in favour of the Municipality		New KPI		100% increase in litigation in favour of the Municipality	100% increase in litigation in favour of the Municipality	0%		Not Achieved	Constant follow-up on the IGRF processes	OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
97	Percentage processing of transfers for land purchases		New KPI		100% processing of transfers for land purchases	100% processing of transfers for land purchases			Not Achieved		OPEX	
98	Date for review and approval of Public Participation Strategy		Public participation strategy not reviewed for approval	Not Achieved	1 reviewed and approved Public Participation Strategy	1 reviewed and approved Public Participation Strategy			Achieved		N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
99	Number of Ward Councillors Forum meetings convened		New KPI		4 ward Councillors Forum	4 ward Councillors Forum			Achieved		N/A	
100	Number of Ward Committee meetings held		180 Ward Committee meetings held	Achieved	180 Ward Committee meetings to be held	180 Ward Committee meetings to be held			Not Achieved		OPEX	
101	Number of ward community consultations conducted		180 Ward Committee meetings held	Achieved	60 Ward Community Consultation Meetings	60 Ward Community Consultation Meetings			Not Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
102	Number of community outreach programmes conducted		60 Ward community meetings	Achieved	4 Community outreach programmes conducted	4 Community outreach programmes conducted			Achieved		OPEX	
103	Percentage of community issues resolved		40% issues resolved	Not Achieved	100% of issues resolved	100% of issues resolved			Not Achieved		N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
104	Number of programmes by Office of the Speaker		4 Community outreach programmes	Achieved	4 Programmes	4 Programmes			Achieved		OPEX	
105	Date for review of OPMS Framework		OPMS Policy reviewed. Not approved by Council	Not Achieved	1 Review and Approval of OPMS Framework	1 Review and Approval of OPMS Framework	2024/2025 OPMS Policy approved by Council 2024-07-31		Achieved		N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
							CRA96					
106	Date for approval of SDBIP		2023/24 SDBIP approved by 2023-07-14 after budget approved on 2023-06-15	Achieved	1 SDBIP	1 SDBIP	2024/2025 SDBIP approved 2024-07-02		Achieved		N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
107	Number of SDBIP quarterly reports		4 Reports	Achieved	4 SDBIP reports	4 SDBIP reports	4 SDBIP reports		Achieved		N/A	
108	Annual Performance Report prepared		1 Annual Performance Report prepared	Achieved	1 Annual Performance Report prepared	1 Annual Performance Report prepared	1 Annual Performance Report prepared and submitted to AG by 2024-08-31		Achieved		N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
109	Annual Report tabled		Annual Report tabled on 2024-01-31	Achieved	1 Annual Report tabled by 31 January 2025	1 Annual Report tabled by 31 January 2025	2023/24 Annual Report tabled to Council 2025-01-31		Achieved		N/A	
110	Oversight report tabled		2022/23 Oversight report not adopted on time, Adopted 2024-07-02	Not Achieved	1 Oversight Report adopted by 31 March 2025	1 Oversight Report adopted by 31 March 2025	2023/24 Oversight Report adopted by Council on 2025-03-27		Achieved		N/A	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
111	Strategic risk assessment conducted		1 strategic risk register developed	Achieved	1 Strategic risk assessment conducted	1 Strategic risk assessment conducted	1 Strategic risk assessment conducted		Achieved		OPEX	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
112	Number of reports on strategic risk mitigating action plan implementation		4 Progress report on risk mitigation plan implementation	Achieved	4 reports on strategic risk mitigating action plan implementation	4 reports on strategic risk mitigating action plan implementation	4 reports on strategic risk mitigating action plan implementation		Achieved	N/A	N/A	
113	Number of RMAFACC meetings		4 RMAFACC meetings held	Achieved	4 RMAFACC meetings	4 RMAFACC meetings	4 RMAFACC meetings		Achieved	N/A	OPEX	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
114	Number of Anti-fraud and anti-corruption workshops/ awareness campaigns conducted		4 anti-fraud and anti-corruption workshops / awareness	Achieved	4 Anti-fraud and anti-corruption workshops/ awareness campaigns conducted	4 Anti-fraud and anti-corruption workshops/ awareness campaigns conducted	4 Anti-fraud and anti-corruption workshops/ awareness campaigns conducted		Achieved	N/A	OPEX	
115	1 Audit committee charter		Approved Audit Committee Charter on 2023-08-29	Achieved	1 Audit committee charter	1 Audit committee charter	Audit committee charter reviewed		Not Achieved	Audit committee charter will be reported to council in the first	N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
										quarter		
116	Number of Audit committee meetings held		4 Audit Committee meetings	Achieved	4 Audit committee meetings held	4 Audit committee meetings held	4 Audit committee meetings held		Achieved		OPEX	
117	1 Three year rolling internal audit plan developed		Approved Internal Audit Charter (Audit Committee 2023-07-20)	Achieved	1 Three year rolling internal audit plan developed	1 Three year rolling internal audit plan developed	1 Three year rolling internal audit plan developed		Achieved		N/A	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
118	Number of reports on implementation of annual audit action plan submitted to Audit Committee		4 Reports	Achieved	4 Reports on implementation of annual audit action plan submitted to Audit Committee	4 Reports on implementation of annual audit action plan submitted to Audit Committee	4 Reports on implementation of annual audit action plan submitted to Audit Committee		Achieved		N/A	
119	Number of progress reports on AGSA audit action plan implementation		4 Progress reports on AGSA action plan implementation	Achieved	4 Progress reports on AGSA audit action plan implemen	4 Progress reports on AGSA audit action plan implemen	4 Progress reports on AGSA audit action plan implemen		Achieved		N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
					tation	tation	tation					
120	Number of progress reports on internal audit action plan implementation		4 Progress reports on internal audit action plan implementation	Achieved	4 Progress reports on internal audit action plan implementation	4 Progress reports on internal audit action plan implementation	4 Progress reports on internal audit action plan implementation		Achieved		N/A	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
121	Number of reports on Circular 88 updates submitted		New KPI		4 Reports on quarterly Circular 88 updates submitted	4 Reports on quarterly Circular 88 updates submitted	4 Reports on quarterly Circular 88 updates submitted		Achieved		N/A	
122	Number of Gender Based Violence Campaigns conducted		4 Anti gender-based Violence Campaigns conducted	Achieved	4 GBV Campaigns conducted	4 GBV Campaigns conducted	4 GBV Campaigns conducted		Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
123	Number of Local Anti-Drug Action Committee meetings		New KPI		4 Local Anti-Drug Action Committee meetings	4 Local Anti-Drug Action Committee meetings	4 Local Anti-Drug Action Committee meetings		Achieved		OPEX	
124	Number of HIV/AIDS Campaigns conducted		4 Reports on implementation of HIV/Aids plan	Achieved	4 HIV/AIDS Campaigns conducted	4 HIV/AIDS Campaigns conducted	4 HIV/AIDS Campaigns conducted		Achieved		OPEX	
125	Number of Women Forum meetings held		4 Women's forum meetings held	Achieved	4 Women Forum Meetings held	4 Women Forum Meetings held	4 Women Forum Meetings held		Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
126	Number of disability Forum meetings held		4 Forum meetings of People Living with Disabilities forum meetings held	Achieved	4 Disability Forum meetings held	4 Disability Forum meetings held	3 Disability Forum meetings held		Not Achieved		OPEX	

Municipal KPA: Financial viability and management

Municipal Priority:

Improve financial viability of the Municipality through the implementation of the Financial Recovery Plan & Financial Long-Term Plan

A capable, ethical and developmental State

Impact Statement:

Improved financial sustainability

MTSF Target:

Accountable governance and public participation

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective measures	Revenue/Funding Source	Reason for Adjustment

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
127	Reduction of UIFWE		The fruitless for the quarter amounts to R317 464 940 , Irregular amounts to R239 977.038 which was submitted to council in the 4th quarter	Achieved	Reduce UIFWE to by R600 million	Reduce UIFWE to by R600 million			Not Achieved		OPEX	
128	Approved annual procurement plan		New KPI		Annual procurement plan approved	Annual procurement plan approved	Annual procurement plan approved		Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
129	Number of reports on service provider performance monitoring		4 Reports on service provider performance	Achieved	4 Reports on service provider performance monitoring	4 Reports on service provider performance monitoring	4 Reports on service provider performance monitoring		Achieved		OPEX	
130	Reduced outstanding creditors		The municipality is under financial distress and unable to pay all creditors within 30 days. Eskom debt still increasing	Not Achieved	Reduce outstanding creditors by R 100 Million	Reduce outstanding creditors by R 100 Million			Not Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
131	Increased collection rate		56%	Not Achieved	Collection rate increased to 80%	Collection rate increased to 80%			Not Achieved		OPEX	
132	Data cleansing and analysis undertaken		New KPI		10 000 households with data cleaning and analysis undertaken	10 000 households with data cleaning and analysis undertaken			Not Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
133	Number of reviews of tariffs for correct implementation on the financial system		New KPI		2 Reviews of tariffs for correct implementation on the financial system	2 Reviews of tariffs for correct implementation on the financial system	2 Reviews of tariffs for correct implementation on the financial system		Achieved		OPEX	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
134	Reduction in electricity trading service operating deficit		Tariffs were reviewed, submitted to council and approved with the Budget on the 4th June 2024 (see attacched council resolution)	Achieved	Reduction in electricity trading service operating deficit through cost of supply study	Reduction in electricity trading service operating deficit through cost of supply study	Reduction in electricity trading service operating deficit through cost of supply study		Achieved		OPEX	
135	Reduction in insolvent late estate in debtors book		New KPI		30% of insolvent late estates in debtors book written off	30% of insolvent late estates in debtors book written off			Not Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
136	Monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during a month		0,5 month	Not Achieved	2 months cost coverage	2 months cost coverage			Not Achieved		OPEX	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
137	Number of reports on implementation of budget funding plan and effective cash flow management		New KPI		4 Reports on implementation of budget funding plan	4 Reports on implementation of budget funding plan	1 Report on implementation of budget funding plan		Not Achieved		OPEX	
138	Development of a Long term financial plan		New KPI		Approved Long term financial plan	Approved Long term financial plan	Approved Long term financial plan		Achieved		OPEX	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
139	Improved 2023/24 audit outcome		New KPI		Unqualified Audit Opinion	Unqualified Audit Opinion	2023/24 Qualified opinion		Not Achieved		OPEX	
140	Number of reports on FRP implementation		12 FRP reports	Achieved	12 Reports on FRP Implementation	12 Reports on FRP Implementation	12 Reports on FRP Implementation		Achieved		OPEX	
141	Number of Budget Steering committee meetings		New KPI		4 Budget Steering committee meetings	4 Budget Steering committee meetings	2 Budget Steering committee meetings		Not Achieved		OPEX	

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KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
142	Number of reports on verification and reconciliation of Fixed Asset Register (FAR)		The FAR prepared in accordance to GRAP and MSCOA	Achieved	4 Reports on verification and reconciliation of Fixed Asset Register (FAR)	4 Reports on verification and reconciliation of Fixed Asset Register (FAR)	4 Reports on verification and reconciliation of Fixed Asset Register (FAR)		Achieved		OPEX	

KPI NO	2024/2025 SDBIP KPI	Approved Adjusted 2024/2025 SDBIP KPI	2023/2024 Overall Audited Actual Performance	2023/2024 Audited Achievement Status	2024/25 Annual Target	2024/25 Approved Adjusted Annual Target	2024/2025 Annual Overall Actual Output	Adjusted Audited Actual Output	2024/2025 Achievement Status (Achieved/ Not Achieved)	Corrective Measures	Revenue / Funding Source	Reason for Adjustment
143	Number of reports on Eskom current account monthly as part of adherence to Eskom debt relief programme		New KPI		12 Reports on Eskom current account monthly as part of adherence to Eskom debt relief programme	12 Reports on Eskom current account monthly as part of adherence to Eskom debt relief programme	6 Reports on Eskom current account monthly as part of adherence to Eskom debt relief programme		Not Achieved		OPEX	

Chapter 3

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Chapter 4

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

INTRODUCTION

Human Resource Management within the Municipality comprises a range of activities aimed at providing a comprehensive human resource function to Council. This includes the maintenance of an efficient personnel administration system, recruitment and selection processes, sound labour relations, human resource development, the implementation of affirmative action measures, ensuring occupational health and safety of employees, and compliance with all applicable labour legislation.

Employees of the Municipality are informed of, and generally supportive of, the Municipality's vision, mission, and strategic direction, which contributes positively to organisational cohesion and performance.

The representation of women and persons with disabilities within the Municipality remains a challenge, as reflected in the workplace profile. While the recruitment of black females and persons with disabilities remains a strategic priority, the Municipality continues to experience challenges in attracting suitably qualified candidates from the designated group of persons with disabilities.

An Employment Equity Plan (EEP) has been developed and approved to address these challenges, with specific emphasis on improving gender representation and the inclusion of persons with disabilities. The monitoring, implementation, and reporting on the EEP remain a priority for the institution. Furthermore, the recruitment of senior and divisional managers has been aligned with the current EEP to progressively close identified gaps. The Municipality will continue to review and align the EEP and recruitment plans to eliminate disparities and promote equitable representation across all occupational levels.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	2022/2023	2023/2024			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	44	67	48	19	28,36
Waste Water (Sanitation)	43	120	43	77	64,17
Electricity	32	70	32	38	54,29

Waste Management	41	98	62	36	36,73
Housing	13	12	5	7	58,33
Waste Water (Stormwater Drainage)	0	0	0	0	#DIV/0!
Roads	46	100	30	70	70,00
Transport	9	23	9	14	60,87
Planning	3	8	2	6	75,00
Local Economic Development	2	4	2	2	50,00
Planning (Strategic & Regulatory)	2	2	2	0	0,00
Local Economic Development	0	0	0	0	#DIV/0!
Community & Social Services	76	255	139	116	45,49
Environmental Protection	26	53	38	15	28,30
Health	0	0	0	0	#DIV/0!
Security and Safety	0	0	0	0	#DIV/0!
Sport and Recreation	0	0	0	0	#DIV/0!
Corporate Policy Offices and Other	54	98	54	44	44,90
Totals	**391**	**910**	**466**	**444**	**48,79**

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

T 4.1.1

Vacancy Rate: 2023/2024			
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	1	100.00
Other S57 Managers (excluding Finance Posts)	2	2	100.00
Other S57 Managers (Finance posts)	1	0	0.00
Traffic Officers	42	29	69.05
Fire fighters	73	30	41.10
Senior management: Levels 13-15 (excluding Finance Posts)	33	6	18.18
Senior management: Levels 13-15 (Finance posts)	6	55	916.67

Highly skilled supervision: levels 9-12 (excluding Finance posts)	146	73	50.00
Highly skilled supervision: levels 9-12 (Finance posts)	23	14	60.87
Total	**328**	**210**	64.02

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2022/2023	45	6	13%
2023/2024	44	19	43%
2024/2025	33	29	88%

** Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year*

T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

For the year under review, the position of the municipal manager and the entire senior management team were filled for the year under review. The fast-tracking of processes for the filling of vacancies has improved with the developed recruitment plan. A relatively higher turnover rate was experienced mainly due to resignations, deaths and employees reaching retirement age.

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Human Resource Management within the Municipality comprises activities aimed at rendering a comprehensive human resource management function to Council. This includes ensuring an efficient personnel administration system, effective recruitment and selection processes, sound labour relations, and ongoing human resource development. In addition, the Municipality ensures the implementation of affirmative action measures, the promotion of occupational health and safety, and full compliance with all applicable labour legislation.
The policies reflected in the table below were approved by 30 June 2023 and implemented during the 2023/2024 financial year.

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Employees of the Municipality are informed of, and supportive of, the Municipality's vision, mission, and strategic direction. However, challenges relating to gender representation and the inclusion of persons with disabilities persist, as reflected in the Municipality's workplace profile. While the recruitment of black females and persons with disabilities remains a priority, the appointment of candidates within these designated groups continues to present challenges.

T 4.2.0

Chapter 4

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Recruitment and Selection Policy	100%		30-Jun-23
2	HRD Policy	100%		30-Jun-23
3	Bursary Policy	100%		30-Jun-23
4	Promotion, Transfer, Secondment and Acting Appointment Policy	100%		30-Jun-23
5	OHS Policy	100%		30-Jun-23
6	Relocation Reimbursement Policy	100%		30-Jun-23
7	Danger Allowance	100%		30-Jun-23
8	Placement Policy	100%		30-Jun-23
9	Employment Equity Policy	100%		30-Jun-23
10	Name Tag Policy	100%		30-Jun-23
11	Orientation Induction Policy	100%		30-Jun-23
12	Injury on duty, accident prevention Policy	100%		30-Jun-23
13	PPE Policy	100%		30-Jun-23
14	Bereavement Policy	100%		30-Jun-23
15	EHW Policy	100%		30-Jun-23
16	Leave Policy	100%		30-Jun-23
17	HIV/AIDS Policy	100%		30-Jun-23
18	Incapacity due to ill health policy	100%		30-Jun-23
19	Incapacity due to poor work policy	100%		30-Jun-23
20	Substance Abuse Policy	100%		30-Jun-23
21	Smoking Policy	100%		30-Jun-23
22	Overtime Policy	100%		30-Jun-23
23	IPMDS Policy	100%		30-Jun-23
24	Draft Succession Planning Policy	50%		31-Mar-25
Use name of local policies if different from above and at any other HR policies not listed.				*T 4.2.1*

Chapter 4

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The Draft Succession Planning Policy was developed in response to the findings of the Municipality's Skills Audit process. The draft policy has undergone a consultation process with organised labour, Top Manco, and the Section 80 Committee to ensure alignment with organisational needs and human resource priorities. The Draft Succession Planning Policy is scheduled to be tabled to Council alongside other financial-related policies during the 2025/2026 financial year.
Specific human resource policies, as outlined above, were approved during the 2023/2024 financial year and remain current. These policies are scheduled for review in the 2026/2027 financial year to ensure continued relevance and compliance with legislative and organisational requirements.

T 4.2.1.1

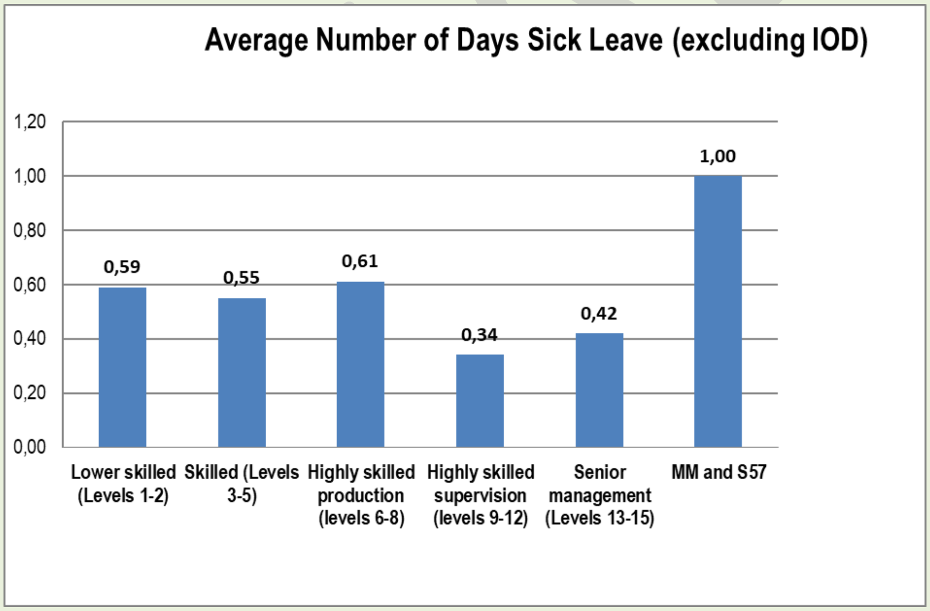
4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	3	3	100%	1	3311.35
Temporary total disablement	0			0	
Permanent disablement	0			0	
Fatal	0			0	
Total	3	3	100%	1	3311.35
					T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000

Lower skilled (Levels 1-2)	355	15%	159	211	0,59	269758
Skilled (Levels 3-5)	156	7%	65	87	0,55	245798
Highly skilled production (levels 6-8)	136	9%	59	84	0,61	165789
Highly skilled supervision (levels 9-12)	169	3%	32	34	0,34	145966
Senior management (Levels 13-15)	166	1%	49	70	0,42	239543
MM and S57	0	0%	0	5	1,00	25698
Total	**987**	**35%**	**364**	**496**	3,49	**1092552**

** - Number of employees in post at the beginning of the year* *T 4.3.2*



T 4.3.3

Chapter 4

COMMENT ON INJURY AND SICK LEAVE:

The municipality monitors and reports all injuries on duty to the Compensation Commission, in compliance with legislative requirements. All types of leave are tracked and managed through PayDay, an electronic leave management system. The Occupational Health and Safety (OHS) Committee is fully functional, addressing all health and safety matters, including the monitoring of mitigation plans outlined in the OHS Risk Register. All quarterly OHS committee meetings were conducted as scheduled

T 4.3.4

Number and Period of Suspensions				
Position/Department	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised**	**Date Finalised**
Superintendent	Dishonesty	2023-12-07	Matter not yet finalised	Not yet finalized as at 2024-06-30
Cashier	Gross Dishonesty	Jun-24	Awaiting outcome from the Presiding Officer	Not yet finalized as at 2024-06-30
				T 4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	**Nature of Alleged Misconduct and Rand value of any loss to the municipality**	**Disciplinary action taken**	**Date Finalised**
Records Clerk	Dishonesty	Matter withdrawn due to unavailability of employer witness	October 2025
General Assistant (CSS)	Dishonesty	Matter ongoing	Not yet finalized
General Assistant (CSS)	Dishonesty	Matter ongoing	Not yet finalized
General Assistant (CSS)	Dishonesty	Matter ongoing	Not yet finalized
General Assistant (CSS)	Dishonesty	Matter ongoing	Not yet finalized
Superintendent Law enforcement	Bribery	Dismissed	January 2025
Cashier	Gross Dishonesty	Dismissed	March 2025

Housing Officer	Fraud	Matter ongoing	Not yet finalized
Manager (TS)	Theft	Matter ongoing	Not yet finalized
Manager (CSS)	Theft	Matter ongoing	Not yet finalized
General Assistant (CSS)	Dishonesty	withdrawn - unavailability of employer witness	October 2024
Supervisor	Theft	Matter ongoing	Not yet finalized
Supervisor	Theft	Matter ongoing	Not yet finalized
Accountant Revenue	Gross Dishonesty	withdrawn - unavailability of employer witness	March 2025
Officer (BTO)	Theft	Matter ongoing	Not yet finalized
			T 4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

For the year under review, disciplinary processes have taken longer than usual to finalise due to postponements for various reasons, including, but not limited to, the unavailability of the Presiding Officer and the employee representative. It should also be highlighted that the municipality, with the assistance of the Manager: Legal Services, has actively presided over disciplinary matters, which has significantly contributed to the efficient handling and expedited finalisation of cases.

T 4.3.7

4.4 PERFORMANCE REWARDS

The performance management system has not yet been cascaded to levels below section 56 employees, no performance rewards were paid during the year under review.

COMMENT ON PERFORMANCE REWARDS:

For the year under review, performance rewards were not paid to any municipal employees, including the Municipal Manager and section 56 managers. It must be noted that performance reviews were not conducted. Efforts are continually being made to strengthen the performance review processes. Adherence to scheduled review sessions in line with the signed performance agreements will be strengthened.

The cascading of individual performance management started and all staff below section 56 managers signed their performance compacts in the 24/25 FY. To complement the approved IPMDS Policy Framework, the SOP for IPMDS was developed and approved by TOPMANCO for smooth introduction and implementation of IPMDS. The IPMDS cycle was followed starting from the review (Q1) and the mid-year assessment (Q2) and the subsequent review (Q3) until the final annual assessment (Q4). The policy does not make any provision for monetary incentives due to financial constraints. A manual calculator is used whilst the municipality is still in quest for SALGA to assist with the automation of IPMDS.

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

In line with the MSA 2000 S68 (1) human resource policies were customized line with the South African Local Government Association's generic policies that enables the institution to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. A critical function within the Human Resources division is the implementation of training interventions for human capital development. The following is a breakdown of training interventions undertaken during the 2023/2024 financial year:

T 4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix															
Management level	Gender	Employees in post as at 30 June 2025	Number of skilled employees required and actual as at 30 June 2025												
			Learnerships			Skills programmes & other short courses			Other forms of training			Total			
		No.	Actual: End 2023/2024	Actual: 2024/2025	2024/2025 Target	Actual: End 2023/2024	Actual: 2024/2025	2024/2025 Target	Actual: End 2023/2024	Actual: 2024/2025	2024/2025 Target	Actual: End 2023/2024	Actual: 2024/2025	2024/2025 Target
MM and s57	Female	2	0	0	0	0	0	0	0	0	2	0	0	2
	Male	4	0	0	0	1	1	2	0	1	1	1	2	2
Councillors, senior officials and managers	Female	2	0	0	0	9	18	23	3	6	3	12	6	23
	Male	7	0	0	0	12	8	10	1	1	22	13	8	10
Technicians and associate professionals*	Female	24	0	0	0	20	8	7	0	13	11	15	13	18
	Male	12	3	2	3	14	1	5	0	2	5	17	5	13
Professionals	Female	10	0	0	0	0	8	8	7	0	4	20	10	19

	Male	11	0	0	0	6	0	0	4	0	4	14	0	17
Sub total	Female	60	7	2	5	30	16	23	5	2	25	47	26	85
	Male	65	8	4	7	41	9	16	6	6	32	50	11	153
Total		228	3	4	10	56	20	39	14	11	57	182	35	106

Chapter 4

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	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	4	0	4	0	4	
Any other financial officials	5	0	5	0	5	0
Supply Chain Management Officials						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	1	0	1	0	1	0
TOTAL	**12**	**0**	**12**	**2**	**12**	**6**

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

T 4.5.2

Chapter 4

Chapter 4

										R'000
Management level	Gender	Employees as at 1 July 2024	Original Budget and Actual Expenditure on skills development 2024/2025							
			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	2	0	0	0	0	10000	0	100000	0
	Male	4	0	0	0	0	200000	17348	200000	17348
Legislators, senior officials and managers	Female	18	150000	0	0	0	270000	117948	270000	117948
	Male	41	150000	0	0	0	150000	19000	150000	19000
Professionals	Female	11	0	0	0	0	150000	129321	150000	129321
	Male	16	0	0	0	0	150000	125841	150000	125841
Technicians and associate professionals	Female	21	0	0	0	0	300000	258626	150000	258626
	Male	18	0	0	0	0	85000	30669	85000	30669
Clerks	Female	40	0	0	0	0	200000	174397	200000	174397
	Male	26	0	0	0	0	150000	99255	150000	99255
Service and sales workers	Female	50	0	0	50000	0	0	0	50000	0
	Male	40	0	0	100000	76928	0	0	100000	76928
Plant and machine operators and assemblers	Female	2	0	0	50000	0	0	0	50000	0
	Male	30	0	0	100000	84300	0	0	100000	84300
Elementary occupations	Female	50	100000	50000	0	100000	85000	6520	8500	6250
	Male	60	175000	150000	0	100000	0	31250	0	31250
Sub total	Female	191	0	0	0					

Commented [PM1]: HRM to update

	Male	224	0	0	0					
Total		415	0	575000	300000	361000	0	0	300000	936000
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R
										T4.5.3

Chapter 4

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

Skills audit conducted through the support from COGHSTA. A provision of 1% of the total wage bill of the municipality is made available for skills development as required by the MSR. Performance compacts covers the PDPs of officials which is incorporated into the WSP The WSP for 2024/25 FY was submitted and approved by LGSETA. The mandatory grant was received from LGSETA confirming compliance with SARS.

T 4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

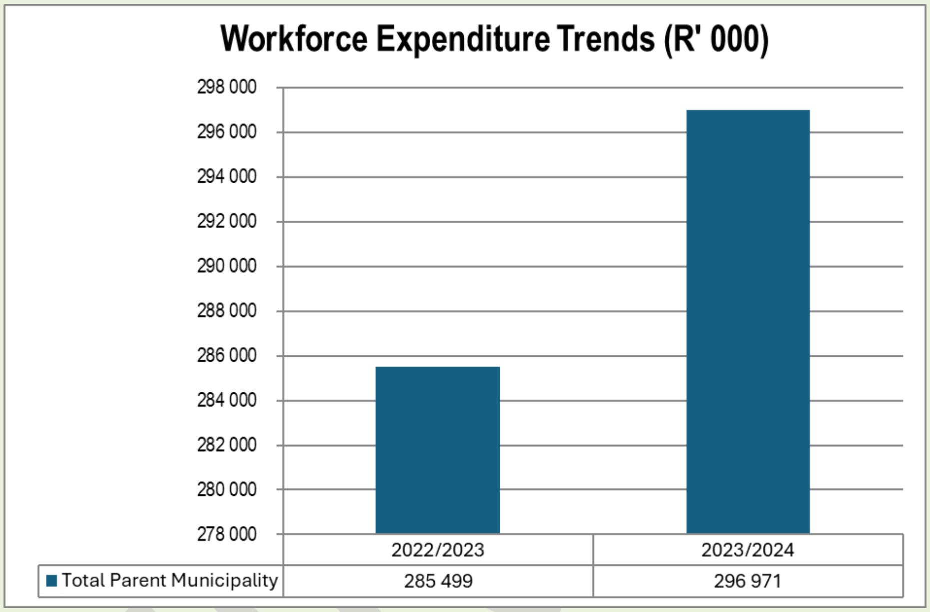
INTRODUCTION TO WORKFORCE EXPENDITURE

Effective management of workforce expenditure remains critical. Pressures to fill vacancies within budgetary constraints have placed a strain on certain workforce components, particularly in essential service areas such as **fire and rescue, water and sanitation, electricity, and refuse collection**. The vacancy rate in these areas has led to a substantial increase in **overtime expenditure**, which is necessary to ensure continued service delivery despite limited human resources. Concerted efforts are still required to reduce overtime and to employ additional staff to address these human resource shortages.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

Chapter 4



Source: MBRR SA22 *T 4.6.1*

COMMENT ON WORKFORCE EXPENDITURE:

Employee cost to total operating expenditure measures the total employment cost to total operating expenditure and the norm is between 25% - 40%. Lekwa Local Municipality is within the acceptable norm, it is on the increase and if not monitored, it will approach the upper end of the norm. It must also be noted that total workforce expenditure decreased due to the municipality being placed under administration, thus reducing overall councillor remuneration costs.

T 4.6.1.1

DISCLOSURES OF FINANCIAL INTERESTS

Annually, Councillors as political office bearers, senior officials and Supply Chain Management officials are required to complete declarations indicating financial interest, thus a disclosure form is completed.

Chapter 4

It is also a requirement that section 56 senior management must declare their financial interest and other interest when signing their annual performance agreements with the Municipal Manager. The Municipal Manager also signs a declaration for financial interest and submits it to the Executive Mayor with the signed performance agreement. Appendix J tabulated the disclosures made.

T 4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments and reports on financial matters. 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

INTRODUCTION TO FINANCIAL STATEMENTS

The statement is assessed by summarizing how the municipality incurs its revenues and expenses through both operating and non-operating activities. It also shows the net profit or loss incurred over a specific accounting period. These include service charges and the various expenses incurred during the processing as well as the rendering the services.

Revenue management, and particularly revenue assurance, should be high up on the list of priorities.
Debt owed to municipality was R 2 295 581 524 with R 182 180 385 impaired as a result of non-payment of services. In addition, the municipality had payables from exchange transactions amounting to R 3 792 572 551. Effective revenue assurance could rescue the municipality and underpin improved financial management, especially at a time where more challenges are forecast for the South African economy, already caught in the grip of stagnant economic growth. As the economy continues to decline, the municipality will face even bigger challenges in generating revenue. The continued restructuring and closure of businesses, which lead to job losses, would have far reaching effects for the municipality.

Revenue generated from rates, taxes, and service charges will also dwindle and the ratio of indigents compared to paying customers is likely to increase.

The equitable share from national government is expected to be under pressure going forward. So, while communities deserve and continue to demand quality and timely services, some members of communities cannot afford to pay for the services rendered.

It is, therefore, imperative that the municipality develop a comprehensive revenue assurance system. Financial sustainability can be achieved through appropriate funding, financial viability, revenue generation capability, and revenue management processes.

Auditor General fees is the service for the external audit provided by the Auditor General of South Africa. The total cost was R 9.2 million.

The operating deficit is attributed mainly to bulk purchases, employee related costs, debt impairments and write off of irrecoverable debt as well as depreciation incurred during the financial period under review. The Municipality has put in place systems to address the deficit and to ensure that the Municipality is financially sustainable. This includes revenue enhancement, cost curtailment, ensuring that trading services are operating efficiently in order to reduce the trading losses.

The table below reflects the performance of trading services. The real picture is that comparing the actual revenue to expenditure, all services are running at a deficit. These services are yet to yield profit. The attributes to the deficits are the following factors:

1) Tariffs are not cost reflective
2) Billing that is inaccurate
3) High operating costs such as bulk purchases and employee related costs.

The Municipality in conjunction with National Treasury, Vodacom and the Development Bank of South Africa (DBSA) has initiated numerous revenue enhancement programs in order to improve the revenue of the Municipality whilst protecting the current revenue streams available to the Municipality. This includes but is not limited to:

Valuation roll reconciliation to ensure completeness of property rates billing

Tariff review to ensure that tariffs are realistic and the Municipality is able to recoup the cost for the provision of services
Policy reviews to ensure adherence with applicable legislation
Improve meter reading
Installation of electricity smart meters
Water meter replacement and exposing meters that are not easily accessible
Performance of monthly billing reconciliation to ensure completeness of revenue generated
Increase access to pay point and receipt management to allow consumers to pay for services at various payment points
Intensification of indigent registration and management in response to the socio-economic climate, to protect the poor from the severe economic impact
Vigorous implementation of credit control and debt collection
The Municipality has finalized a project to secure electricity kiosks to avoid tampering with electricity infrastructure.

Remedies to these challenges will be to strictly applied and adhered to ensure austerity and cost curtailment measures.

T 5.1.0

Financial Services: 2024/2025				
Details	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget R'000**
Electricity	507 625	435 835	459 096	23 260
Water	78 121	73 677	83 305	9 681
Sewerage	71 223	82 455	68 453	-14 001
Refuse Removal	53 900	61 615	20 578	-41 037

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Chapter 5

Lekwa Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Services charges - Electricity	19	459 005 270	413 115 883
Service charges - Waste Management	19	20 578 196	21 006 869
Services charges - Waste Water Management	19	68 453 972	90 543 178
Services charges - Water	19	83 305 335	83 353 413
Sales of Goods and Rendering of Services	20	2 649 587	1 495 870
Rental of facilities and equipment	21	2 574 026	3 003 211
Interest earned from receivables	22	112 033 581	82 532 205
Operational Revenue	23	185 389	534 792
Interest received earned from Investments	24	4 684 411	4 135 690
Total revenue from exchange transactions		**753 469 767**	**699 721 111**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	26	201 251 937	200 584 143
Licences and Permits	28	219 566	5 870
Interest earned from receivables	22	37 010 032	40 819 964
Transfer revenue			
Government grants & subsidies	25	244 346 729	219 896 269
Public contributions and donations	29	40 659 470	245 423 591
Fines, Penalties and Forfeits	27	5 476 340	3 582 214
Municipal Debt Relief		-	211 869 657
Total revenue from non-exchange transactions		**528 964 074**	**922 181 708**
Total revenue		**1 282 433 841**	**1 621 902 819**
Expenditure			
Employee related costs	30	(327 549 350)	(285 403 128)
Employee costs - Remuneration of councillors	31	(15 811 499)	(14 740 484)
Depreciation	32	(63 939 009)	(58 043 800)
Finance costs	34	(144 123 710)	(181 679 220)
Lease rentals on operating lease	36	(1 801 022)	(1 801 022)
Debt Impairment	35	(182 180 385)	(206 777 346)
Bulk purchases	39	(651 392 898)	(524 408 376)
Contracted Services	37	(156 390 176)	(132 104 585)
Transfers and Subsidies	38	-	(1 156 470)
Inventory consumed	40	(40 268 890)	(30 462 507)
Operational costs	41	(80 360 265)	(95 279 582)
Total expenditure		**(1 663 817 204)**	**(1 531 856 520)**
Operating (deficit) surplus		**(381 383 363)**	**90 046 299**
Loss on disposal of assets and liabilities	45	(16 011 335)	(5 156 541)
Loss on foreign exchange		-	46 661
Fair value adjustments	44	14 170 098	(570 692)
Actuarial gains/losses	16	4 801 774	2 020 397
Reversal of impairments (Impairment loss)	33	19 518 634	(13 753 177)
		22 479 171	**(17 413 352)**
(Deficit) surplus for the year		**(358 904 192)**	**72 632 947**

Audited By
2025 -11- 30
Auditor General South Africa
Mpumalanga Business Unit

Chapter 5

COMMENT ON FINANCIAL PERFORMANCE

The Municipality had a total operating revenue for the reporting period ending 30 June 2025 which amounted to R 1 282 433 841 which shows an decrease of R 339 468 978 when compared to the operating revenue for the period ended 30 June 2024 where the operating revenue amounted to R1 621 902 819 (Restated). The decrease was mainly due to a decrease in Public Contributions and donations of R 221 989 737. The municipality applied to participate in the DWS Municipal debt relief programme and was approved on 14 August 2025.

Grants receipts contributed R 244 million (19%) of the total revenue while revenue generated from property rates as well as service charges contributed R 832 594 710 million (64.9%) to the total revenue mix.

Although there are no specific norms and standards set to measure grant dependency, given the revenue mix outcome, this indicates that the Municipality is not entirely dependent on grants and subsidies to finance its operations, but more can be done to improve own revenue generation. The municipality is implementing various revenue enhancement programs that will assist in reducing the operating deficit over the multi-year period.

The total revenue of the Municipality at the end of June 2025 has reduced by R 298 million (19%) when compared to the reporting period ended 30 June 2025.

The main sources of revenue excluding Grants and Subsidies for the 2024/25 financial year were as follows:
Electricity R 459 million (35.8%)
Property Rates R 201 million (15.6%)
Water R 83 million (6.4%)
Sanitation R 68 million (5.3%)
Refuse R 20 million (1.5%)

The revenue generated from sales of electricity contributed 26.5% (R 459 million) of the total revenue mix, thus indicating that the electricity business unit should be nurtured and operated efficiently to ensure increased revenue from this service. This includes ensuring revenue protection by removing illegal connections, replacing bridged and tampered meters, ensuring accuracy of billing by effecting correct tariffs that are billed on time and accurate meter readings being taken.

The Municipality had a total operating expenditure for the reporting period ending 30 June 2025 amounting to R 1 663 824 306. There was an increase in expenditure which amounted to R 131 967 786 when compared to the period ended 30 June 2024. The main contributors to this increase are the increase in bulk purchases of R126 984 522, contracted services of R27 494 294 and employee related costs of R48 404 803. The Municipality was able to reduce Debt impairment by R24 596 961, this can be attributed to an improvement in collection rate and a change in impairment calculation methodology.

The following expenditures remains the highest cost drivers and have a significant impact on the revenue of the Municipality thus requiring the Municipality to vigorously implement the revenue enhancement strategy and continuous cost curtailment measures:
Bulk purchases R 651 million (39%)
Employee related costs R 327 million (19.6%)
Debt impairment R 182 million (10.9%)
Depreciation R 63 million (3.7%)
Finance costs R 144 million (8.6%)
Contracted services R 156 million (9.3%)

The Municipality has further implemented cost curtailment measures as well as the establishment of a cash flow management committee in order to reduce expenditures. The Municipality is committed to reducing running overheads such as overtime, standby, telephone costs, printing and stationery, including the reduction of non-essential procurement and expenditure. Furthermore the municipality took an initiative to renegotiate contracts with its service providers to reduce their scopes to affordable levels. Adequate provision is made towards expenditure that can improve service delivery on water network maintenance, improved sanitation, electricity maintenance and road maintenance amongst other expenditure.

The municipality had a deficit for the year of R358 911 294 for the period ending June 2025. The Municipality had cash and cash equivalents amounting to R16 240 927 at the end of June 2025.

T5.1.3

5.2 GRANTS

Grant Performance						
	2023 - 24	2024 - 2025			2024 - 2025	
	Actuals R'000	Original Budget R'000	Adjustments Budget R'000	Actuals R'000	Original Budget %	Adjustments Budget %
Transfers and Subsidies National Government						
Equitable Share	167 773	179 350 000.00	179 350 000.00	179 350 000.00	100%	100%
Municipal Infrastructure Grant	31 565	33 077 000.00	33 077 000.00	33 077 000.00	100%	100%
Local Government Financial Management Grant	2 850	2 800 000.00	2 800 000.00	2 800 000.00	100%	100%
Expanded Public Works Grant	1 643	1 760 000.00	1 760 000.00	440 000.00	25%	25%
Integrated Electrification Grant	8 500	14 620 000.00	14 620 000.00	14 620 000.00	100%	100%
Municipal Disaster Recovery Grant	7 565 269	10 059 730.00	10 059 730.00	10 059 730.00	100%	100%
Energy Efficiency and Demand Management		4 000 000.00	4 000 000.00	4 000 000.00	100%	100%
Total Transfers and subsidies	**212 331**	**245 666 730.00**	**245 666 730.00**	**244 346 730.00**	**85%**	**85%**

COMMENT ON GRANTS

Grants receipts contributed R244 million (19%) of the total revenue mix. This further affirms that the Municipality does not depend entirely on grants to finance its operations.

Although there are no specific norms and standards set yet to measure grants dependency, given the revenue mix outcome it is evident that the Municipality is not dependent on grants and subsidies to finance the operations. The municipality continued its endeavors to implement various revenue enhancement programs that will assist in reducing the operating deficit over the multi-year period.

The Municipality had unspent conditional grants amounting to R 10 million for the Disaster Management Relief Grant in the 2023/2024 financial year. The unspent grant mainly related to the timing when the funds were transferred to the Municipality, which was in March 2024. The unspent grant was fully spent in 2024/2025 financial year. The allocation was earmarked for projects to be implemented in the 2023/2024 and 2024/2025 financial years.

In an effort to ensure that projects are completed in time and all conditional grants are spent by the end of the financial year, the Municipality streamlined the appointment of consultants and contractors. The Municipality concluded multiyear appointment of consultants and contractors.

The non-conditional equitable share grant was utilized for indigents' free basic services and to cover other operational expenses. The Finance Management Grant as a conditional grant was used for its intended purposes.

T 5.2.2

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

Grants receipts contributed R244 million (19%) of the total revenue mix. This further affirms that the Municipality does not depend entirely on grants to finance its operations. All grants, with the exception of the Expanded Public Works Grant was fully spent.

T 5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The Municipality made significant strides in ensuring that assets are verified periodically. All assets that required bar codes were bar coded and those that required GPS co-ordinates had been provided. The assets are annually recorded in the Annual Financial Statement in terms of GRAP standards, Council's assets management policy and accounting policy. Recognition also take effect of depreciation and impairment where it is applicable.

The Asset Management Policy was developed to comply with all relevant legislative requirements and complies with the standards specified by the Accounting Standards Board. Asset management within the municipality is overseen by the Chief Financial Officer.

The Chief Financial Officer established and maintained an asset register containing key financial data on each item of property, plant, or equipment that satisfies the criterion for recognition.

Organizing Asset Management, Staff Involved, and Delegations

The CFO is responsible to the Municipal Manager and needs to ensure that the financial investment in the municipality's assets is safeguarded and maintained.
The Asset Manager must ensure that appropriate physical management and control systems are established and maintained for all assets in their area of responsibility and that the municipal resources assigned to them are utilized effectively, efficiently, economically, and transparently.
The Asset Champion must assist the Asset Manager in performing his/her functions and duties in terms of asset management.

T 5.3.1

Capital Expenditure of 5 largest projects*

R' 000

Name of Project	Current: 2024/2025			Variance: 2024/2025	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Upgrade of Standerton Water Bulk System phase 2 Construction of Kieser Reservoir & Pressure Tower	406 736	164 650	164 650	60%	0%
Refurbishment/ Installation of boreholes in rural/farm areas	2 827 340	3 069 426	3 069 426	8%	0%

Capital Expenditure of 5 largest projects* R' 000					
Name of Project	Current: 2024/2025			Variance: 2024/2025	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Installation of VIP Toilets	2 500 000	2 500 000	2 500 000	0%	0%
Installation of High mast lights	7 564 140	16 634 750	16 634 750	55%	0%
Development of Thuthukani cemetery	8 800 000	8 305 755.60	8 305 755.60	6%	0%
Rehabilitation of Morgenzon Landfill site	9 395 234	744 868.40	744 868.40	92%	0%
Construction of 6km,11kv from Substation to Rooikoppen	4 620 000	4 620 000	4 620 000	0%	0%
Construction of 11kv,SWS at Rooikoppen (pre- Eng)	10 000 000	10 000 000	10 000 000	0%	0%

COMMENT ON ASSET MANAGEMENT

There are three major types of assets that the municipality has focused on:

Water: the municipality has and is focusing on a drive to ensure that there is adequate water supply as well as ensuring that the quality standards of water supply are always maintained.

Waste water treatment plant and sewer: The sewer pump stations which were not functional have been refurbished to ensure transmission of sewer to the Standerton WWTW. It is noted that the capacity of the Standerton waste water treatment works is unable to meet the current effluent demand. This might lead to processes of litigations against the municipality, which will result in high provision on contingencies.

Electricity: A number of projects have been undertaken towards improved electricity supply.

T 5.3.3

Repair and Maintenance Expenditure: 2024/2025				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	65 801	71 069	79 268	20%
				T 5.3.4

COMMENT ON REPAIRS AND MAINTENANCE EXPENDITURE

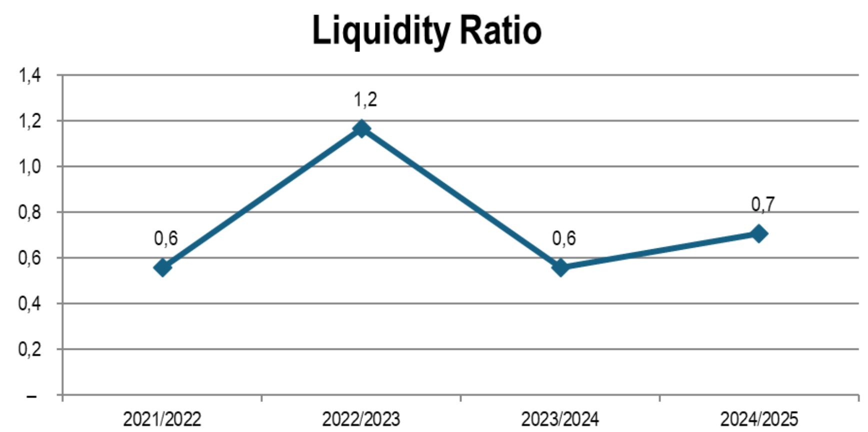
Repairs and maintenance expenditure amounted to R79 million in 2024/2025. A larger portion was spent on the electricity network, water and sanitation. The R79 million expenditure on repairs and maintenance represent 4.7% of the total operating expenditure compared to the 8% norm. It should be noted that this reflect a 1.7% increase when compared to the expenditure incurred during the 2023/2024 reporting period. The Municipality has prioritized expenditure towards repairs and maintenance in an effort to improve service delivery.

The aging infrastructure of the municipality in actual fact requires that larger amounts be made available for the maintenance and replacement of especially water pipes and electricity network.

However, the pressure placed on budget provision for the extension of infrastructure to cater for new developments limits the availability of funds for maintenance purposes. The intention is to substantially increase maintenance expenditure in future budgets. The amount spent on repairs and maintenance is for materials only and decline proportionate to the budget considering the increases in other expenditures.

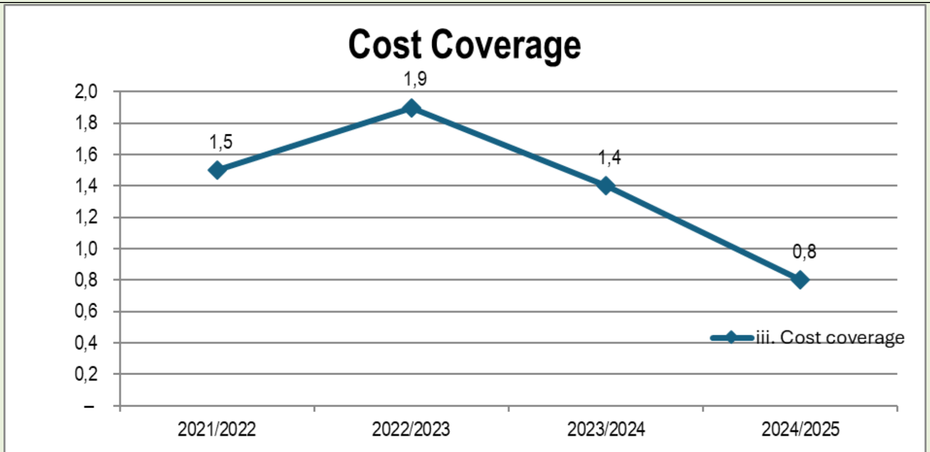
T 5.3.4.1

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.

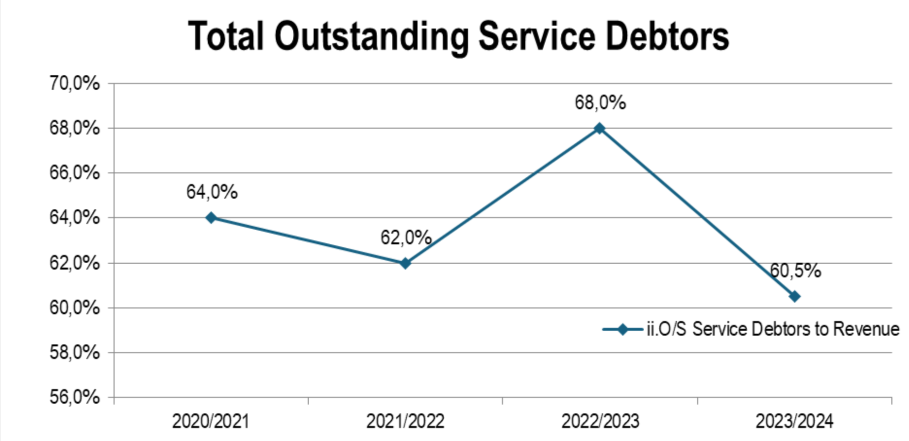
Data used from MBRR SA8



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

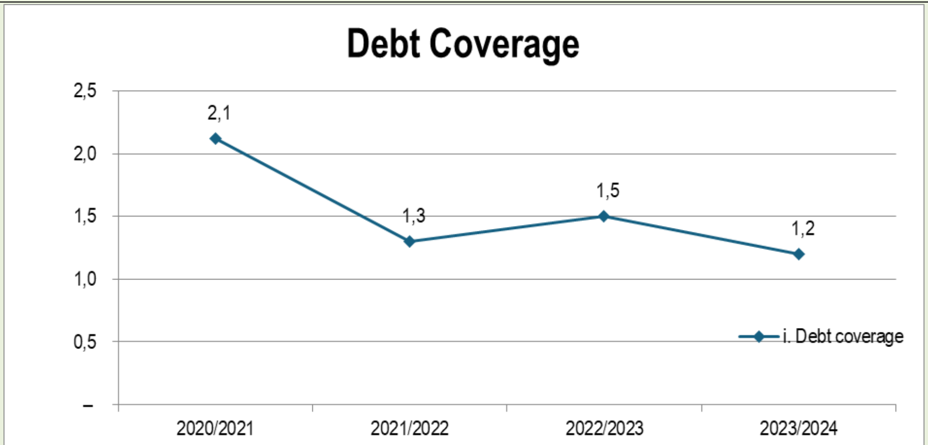
Data used from MBRR SA8

T 5.4.1



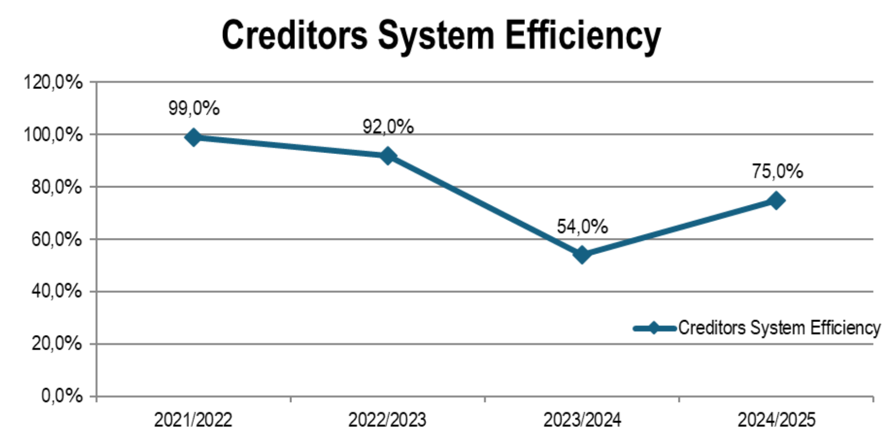
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower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

T 5.4.3



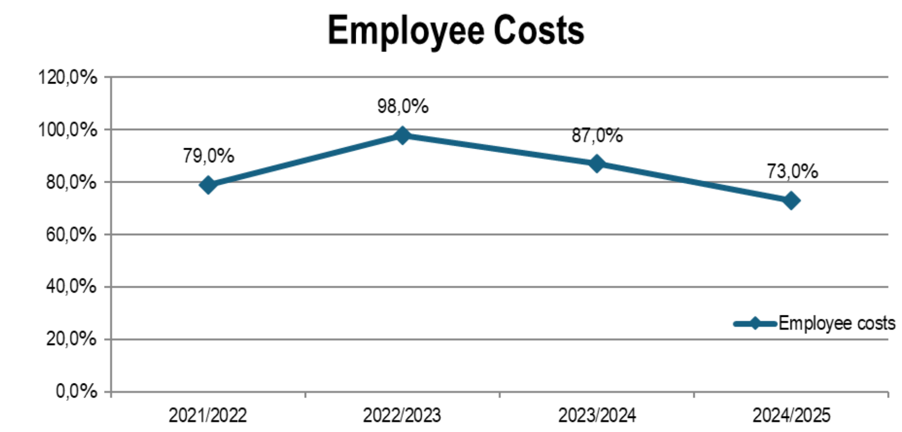
Debt Coverage– The number of times debt payments can be accomodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accomodated by the municipality

Data used from MBRR SA8



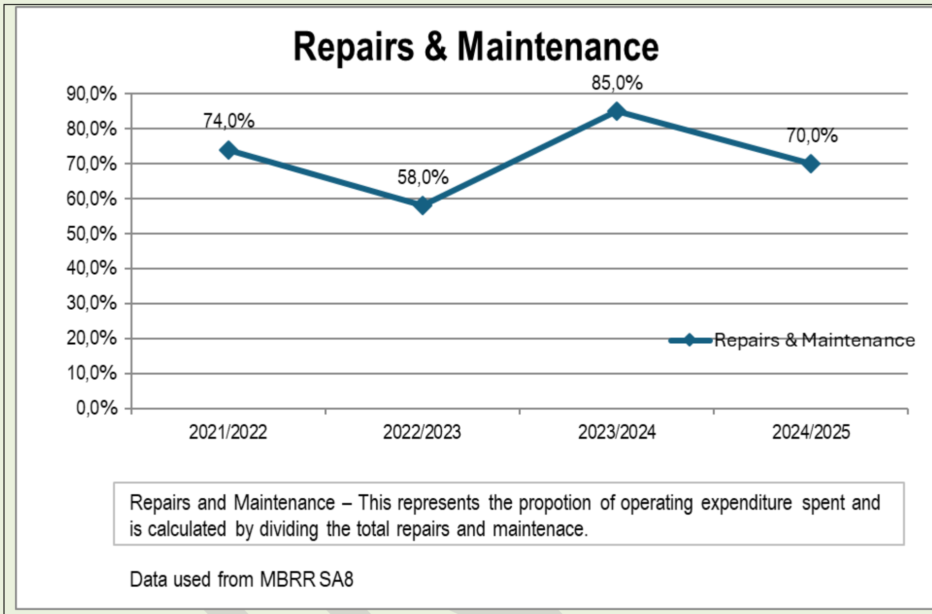
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8



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.

Data used from MBRR SA8



T 5.4.8

COMMENT ON FINANCIAL RATIOS

The **liquidity ratio** measures the extent to which the municipality has cash and short term investments available to settle short-term liabilities. The ratio has not increased, meaning the municipality is less able to settle its short-term liabilities with cash and short-term investments.

The **cost coverage ratio** indicates the time taken to pay for expenditure incurred to be paid; this has increased. It thus indicates that the Municipality takes longer to pay its creditors within a reasonable time.

Total **outstanding service debtors to revenue** has increased. This indicates that fewer accounts are recoverable in proportion to billed revenue.

Repairs and maintenance is gradually increasing, which highlights the intension of the municipality to repair and maintain service delivery assets. The municipality must persistently repair these assets to ensure quality services to communities.

These ratios are derived from table **SA8 of the MBRR.**

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

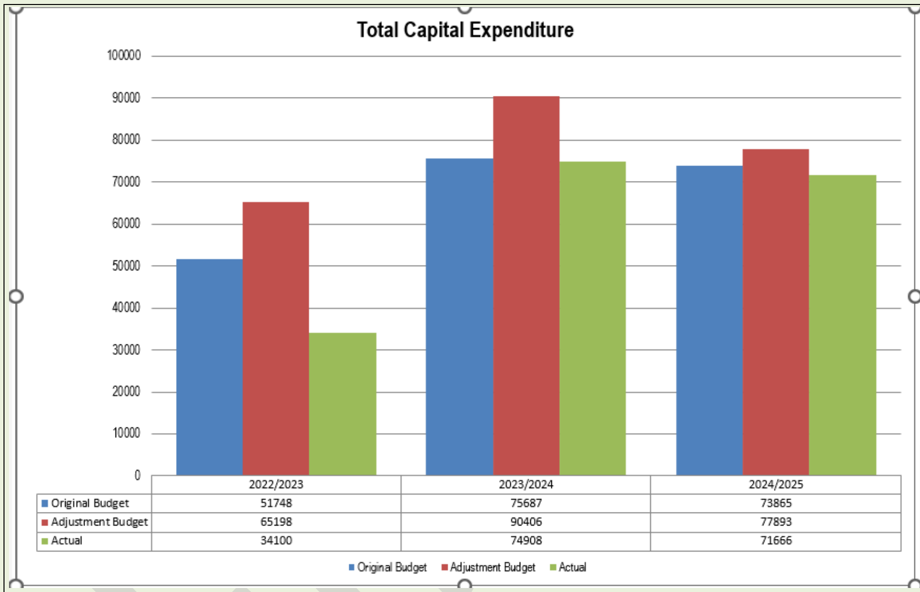
Capital expenditure relates mainly to the construction of assets that will have value, lasting over many years. Capital expenditure is funded from grants, borrowings, and operating expenditures and surpluses.

The five largest projects implemented were the Installation of high mast lights, rehabilitation of Vry Street, development of Thuthukani cemetery, construction of a 6 km electricity supply line and construction of a switching station.

The budget provision to complete projects in the are limited as the MIG allocation is insufficient to complete the projects within a one-year financial cycle. Other sources of funding are to be explored in order to ensure that projects are completed within a reasonable period. These projects were implemented to ensure that Council priorities were attended to.

T 5.5.0

5.5 CAPITAL EXPENDITURE



	2022/2023	2023/2024	2024/2025
Original Budget	51748	75687	73865
Adjustment Budget	65198	90406	77893
Actual	34100	74908	71666

T 5.5.1

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2023/24 - 2024/25							
							R' 000
Details		2023/2024	2024/2025				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	0	0	0	0	0,00%	0,00%
	Public contributions and donations	245 423	0	0	0	0,00%	0,00%
	Operating grants	172 266	4 560 000	3 240 000	3 240 000	0,00%	0,00%
	Capital grants	47 630	61 830 730.30	61 756 730.30	61 756 730.30	0,00%	0,00%
Total		**465 319**	**66 390 730.30**	**64 996 730.30**	**64 996 730.30**	**0,00%**	**0,00%**
Percentage of finance							
	External loans	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Public contributions and donations	25,6%	0,0%	0,0%	0,0%	0,0%	0,0%
	Grants and subsidies	51,3%	37,0%	37,0%	37,0%	0,0%	0,0%
	Other	23,1%	10,2%	10,2%	10,2%	0,0%	0,0%

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2024/2025				
Asset 1				
Name	Installation of 26 High mast lighting in Sakhile,Ext8, Thuthukani, Sivukile and Rural Areas			
Description	Installation of 26 High mast lighting in Sakhile,Ext8, Thuthukani, Sivukile and Rural Areas			
Asset Type	Electricity			
Key Staff Involved	PMU			
Staff Responsibilities	Project Management			
	2024/2025	2023/2024	2022/2023	2021/2022
Asset Value	16 634 750			
Capital Implications	Asset developed			
Future Purpose of Asset	Improved public lighting and as a result, safer communities			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				

Name	Rehabilitation of 1KM Vry street			
Description	Rehabilitation of 1KM Vry street			
Asset Type	Roads			
Key Staff Involved	PMU			
Staff Responsibilities	Project Management			
Asset Value	2024/2025	2023/2024	2022/2023	2021/2022
	10 054 000			
Capital Implications	Asset renewed			
Future Purpose of Asset	Improved road safety			
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 3				
Name	Construction of 11Kv, SWS at Rooikoppen			
Description	Construction of 11Kv, SWS at Rooikoppen			
Asset Type	Electricity			
Key Staff Involved	PMU			
Staff Responsibilities	Project Management			
Asset Value	2024/2025	2023/2024	2022/2023	2021/2022
	10 000 000			
Capital Implications	New Asset			
Future Purpose of Asset	Provision of electricity to Sakhile			
Describe Key Issues				
Policies in Place to Manage Asset				
				T 5.3.2

COMMENT ON SOURCES OF FUNDING:

In respect of capital projects, the Municipality utilized conditional grants to undertake these projects.

T 5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*
R' 000

Name of Project	Current: 2023/2024			Variance: Current Year 2023/2024	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Installation of 26 highmast lights	7 564	16 634	16 634	119%	0%
Construction of 11 KVA switching station for rooikoppen	10 000	10 000	10 000	0%	0%
Rehabilitation of 1km of Vry street	10 059	10 059	10 059	0%	0%
Development of Thuthukani Cemetery	8 800	4 800	4 800	45.5%	0%
Construction of 6km 11KVA line from substation A to Rooikoppen	4 620	4 620	4 620	0%	0%
** Projects with the highest capital expenditure in Year 0*					

Installation of highmast lights	
Objective of Project	Improve visibility and safety of communities at night
Delays	Delays in commissioning
Future Challenges	None
Anticipated citizen benefits	Safer communities
Construction of a switching station	
Objective of Project	Consistent/uninterrupted supply of electricity
Delays	None
Future Challenges	Tariff enforcement
Anticipated citizen benefits	Uninterrupted electricity supply
Rehabilitation of 1km of Vry street	

Objective of Project	Improve conditions of the road
Delays	Delays in appointment of consultant and resultant delay in appointment of contractor
Future Challenges	Insufficient capacity due to densification
Anticipated citizen benefits	Safer roads
Development of Thuthukani Cemetery	
Objective of Project	Development of a cemetery
Delays	None
Future Challenges	None
Anticipated citizen benefits	Communities have a place to bury their loved ones
Construction of 6km 11KVA line from substation A to Rooikoppen	
Objective of Project	Construction of an electricity supply line
Delays	None
Future Challenges	None
Anticipated citizen benefits	Quality electricity supply to the community
	T 5.7.1

COMMENT ON CAPITAL PROJECTS:

The five largest projects implemented were the Installation of high mast lights, rehabilitation of Vry street, development of Thuthukani cemetery, construction of a 6 km electricity supply line and construction of a switching station.

The budget provision to complete projects in the are limited as the MIG allocation is insufficient to complete the projects within a one-year financial cycle. Other sources of funding are to be explored in order to ensure that projects are completed within a reasonable period. These projects were implemented to ensure that Council priorities were attended to.

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Masterplans need to developed or revised and costed per infrastructure service in order to correctly allocate financial resources where mostly needed and in terms of reprioritizing the needs of the municipality. Assets that are not properly maintained will cost the user and municipality more in the future. Proper planning based on the plans will improve service delivery.

T 5.8.1

Service Backlogs as at 30 June 2025				Households (HHs)
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	37242	97%	1341	3%
Sanitation	37337	97%	1246	3%
Electricity	36580	95%	2003	5%
Waste management	32870	77%	5713	23%
Housing		%		%

*% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.* *T 5.8.2*

COMMENT ON BACKLOGS:

MIG and INEP grants were used to address the backlogs, although the available funding is insufficient to completely address all backlogs, thus the phased approach as multi-year projects to ensure he eventual upgrade and refurbishment of such backlogs.

T 5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Chapter 5

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Proper cash flow management is a critical element to ensure the municipality meets its obligations. A stable positive cash flow balance relative to the growth of the municipality is a good indication of the municipality financial position and health. Cash flow projections are done on a monthly basis, and cash not immediately required are invested for a better return on the short term.

T 5.9

5.9 CASH FLOW

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

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Services charges and property rates, other services		708 254 684	790 026 068
Fines, Penalties and Forfeits		5 789 897	723 734
Government grants & subsidies		234 280 000	229 906 000
Interest received from current and non-current assets		4 796 904	3 881 001
Sale of goods & Rendering of services		2 574 026	3 003 211
Investment impairment recovered		219 567	5 869
Operational revenue		185 389	534 792
		956 100 467	1 028 080 675
Payments			
Employee costs		(330 668 759)	(277 251 958)
Suppliers		(485 480 838)	(492 146 251)
Finance costs		(128 470 474)	(167 973 525)
		(944 620 071)	(937 371 734)
Net cash flows from operating activities	43	**11 480 396**	**90 708 941**
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(10 237 706)	(85 689 663)
Proceeds from sale of property, plant and equipment	9	-	121 106
Net cash flows from investing activities		**(10 237 706)**	**(85 568 557)**
Net increase/(decrease) in cash and cash equivalents		**1 242 690**	**5 140 384**
Cash and cash equivalents at the beginning of the year		14 998 241	9 857 857
Cash and cash equivalents at the end of the year	7	**16 240 931**	**14 998 241**

The accounting policies on pages 15 to 48 and the notes on pages 48 to 113 form an integral part of the annual financial statements.

COMMENT ON CASH FLOW OUTCOMES

The cash and cash equivalents at the end of the reporting period indicates a surplus of R 16.2 million. The Municipality has put in place systems to address the cash flow challenges.

5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Borrowing: The Municipality, for the period under review did not seek any funding in terms of sections 45 and 46 of the MFMA. In respect of investments, the Municipality did not have long-term investments due to cash flow challenges. Investment held, were for shorter periods of less than 31 days' notice for operational expenditure. Investments for conditional grants were ring-fenced and were for shorter periods to enable the Municipality to meet the obligation requirements within limited timeframes.

T 5.10.1

Actual Borrowings: 2022/2023 to 2024/2025

R' 000

Instrument	2022/2023	2023/2024	2024/2025
Municipality	0	0	0
Long-Term Loans (annuity/reducing balance)	0	0	0
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	0	0	0
Municipal Entities			

Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0
			T 5.10.2

COMMENT ON BORROWING AND INVESTMENTS:

Borrowing: The Municipality, for the period under review did not seek any funding in terms of sections 45 and 46 of the MFMA. In respect of investments, the Municipality did not have long-term investments due to cash flow challenges. Investment held, were for shorter periods of less than 31 days' notice for operational expenditure. Investments for conditional grants were ring-fenced and were for shorter periods to enable the Municipality to meet the obligation requirements within limited timeframes. *T 5.10.5*

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The Municipality did not have any public private partnerships for the year under review.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Chapter 5

Supply chain management (SCM) is the oversight function of materials, information, and finances as they move in a process from supplier to the Municipality. Supply chain management involves coordinating and integrating these flows. It is said that the ultimate goal of any effective supply chain management system is to reduce stock levels, with the assumption that products are available when needed.

The department (usually abbreviated to SCM) manages the supply and acquisition of goods and services to the Municipality or on behalf of the Municipality. This includes construction works and consultant services, the disposal of goods no longer needed, and the selection of contractors to assist in the provision of municipal services.

SCM is responsible for ensuring a sound, sustainable and accountable supply chain process that promotes black economic empowerment and local economic development, and encourages small businesses and joint venture partnerships. This procurement system must be fair, equitable, transparent, competitive and cost effective, in accordance with the Constitution of South Africa. The composition of SCM consists of Demand, Acquisition and Logistic Management. The Unit has 7 permanent employees and 2 vacancies.

The Municipality has established 3 Committees, namely: Specifications Committee, Evaluation Committee and the Adjudication Committee. No councillors are members of any committee of the committees dealing with supply chain processes.

The Council has approved a Supply Chain Management (SCM) Policy with practises in compliance with the guidelines set down by the Supply Chain Management Regulations, 2005, which was approved with effect from 1 March 2006. The new Preferential Procurement Regulations, 2011, with effect from 7 December 2011 has been incorporated into the policy as adopted. The SCM policy is reviewed annually with other budget-related policies to incorporate any changes that were not covered in the previous policy, taking into consideration legislative and regulatory circulars and provisions.

The Auditor General indicated significant issues regarding the SCM Unit which included:

Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).

Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c). Similar non-compliance was also reported in the prior year.

Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM Regulation 22(1) and 22(2).

The invitation to tender for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 Preferential Procurement Regulation 8(2). Similar non-compliance was also reported in the prior year. Similar non-compliance was also reported in the prior year.

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

The Municipality has introduced various systems to curb the increase in irregular expenditure. This includes but not limited to:
1) Restructuring the Supply Chain Management Unit to be in line with the SCM Pillars
2) Introduction of SoPs and checklists to ensure adherence to SCM policies and Regulations
3) Establishment and appointment of Bid Committees in line with the SCM Regulations
4) Introduction of Request for Quotes register
5) Introduction of contract management policy.

The Municipality has developed Unauthorised Irregular Fruitless and Wasteful expenditure reduction strategy. The centralisation of the supply chain management function will further strengthen the managing of service providers as well as the procurement of goods and services.

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 also ensures that municipal accounts are comparable and more informative for the Municipality. It also ensures 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.

The Municipality has not deviated from applicable GRAP Standards applicable to Municipalities

In the current year, the Municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

The following GRAP standards have been approved and effective to the municipality for the 2024/2025 financial year:

GRAP 1 (amended) Presentation of Financial Statements (materiality) – effective 1 April 2023
GRAP 21 The effect of past decisions on materiality – effective 1 April 2023
GRAP 25 (as revised) Employee Benefits – effective 1 April 2023
GRAP 2020 Improvements to the standards GRAP 2020 – Effective 1 April 2023
Guideline: Guideline on accounting for landfill sites

T 5.13.1

Chapter 6

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. Every municipality must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year; and disclose the information required in terms of sections 123, 124 and 125 of the MFMA.

Annual financial statements must be prepared within two months after the end of the financial year to which those statements relate and submit the statements to the Auditor-General for auditing. The accounting officer is responsible to at least once per year measures and reviews the performance of the municipality. The results of the performance measurement must be audited annually by the Auditor-General.

Therefore the performance results are submitted with the annual financial statements.

The responsibility of the Auditor-General is to express an opinion on the financial statements based on the audit. The audit is conducted in accordance with International Standards on Auditing. Those standards require that the Auditor-General comply with ethical requirements, a plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Chapter 6

The Auditor-General must audit the financial statements and performance results and submit an audit report to the accounting officer within three months of receipt of the statements.

T 6.0.1

AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2023/2024

6.1 AUDITOR GENERAL REPORT

Auditor-General Report Opinion			
FINANCIAL YEAR	**2022/2023**	**2023/2024**	**2024/2025**
AUDIT OPINION			
Annual Financial Statements	**Qualified**	**Qualified**	**Qualified**
Annual Performance Report	**Disclaimed**	**Disclaimed**	**Qualified**

AUDITOR GENERAL REPORT ON THE ANNUAL FINANCIAL STATEMENTS: 2024/2025

Report of the auditor-general to the Mpumalanga Provincial and the council on the Lekwa Local Municipality

QUALIFIED OPINION

1. I have audited the financial statements of the Lekwa Local Municipality set out on pages 456 to 561, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actuals 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, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Lekwa Local Municipality as at 30 June 2025, and financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (GRAP), the

requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) the Division of Revenue Act 24 of 2024 (Dora).

BASIS FOR QUALIFIED OPINION

IRREGULAR EXPENDITURE

3. The municipality did not include all instances of irregular expenditure in the financial statements, as required by section 125(2)(d) of the MFMA, as the municipality did not have adequate systems to identify all prior year's irregular expenditure. I was unable to determine whether any further adjustments were necessary to the closing balance of irregular expenditure for the current and prior year. Consequently, I was unable to determine the full extent of the understatement of irregular expenditure stated at R1,07 billion (2023-24: R1,04 billion) in note 56 to the financial statements, as it was impracticable to do so.

Receivables from exchange transactions

4. The provision for impairment of debtors was not calculated in accordance with the Standards of GRAP 104, *Financial Instruments.* A general rate was applied for all the debtors in calculating the impairment provision, without assessing the credit risk for a group or subgroup of debtors. Additionally, the data used to calculate the impairment included accounts belonging to the municipality. Consequently, I was unable to determine the impact on debt impairment stated at R182,18 million (2023-24: R206,78 million) in note 35 to the financial statements and receivable from exchange transactions R579,58 million (2023-24: R459,33 million) in note 3 to the financial statements, as it was impracticable to do so.

Receivables from non-exchange transactions

5. The provision for impairment of debtors was not calculated in accordance with the Standards of GRAP 104, *Financial Instruments.* A general rate was applied for all the debtors in calculating the impairment provision, without assessing the credit risk for a group or subgroup of debtors. Additionally, the data used to calculate the impairment included accounts belonging to the municipality. Consequently, I was unable to determine the impact on debt impairment stated at R182,18 million (2023-24: R206,78 million) in

note 35 and receivable from non-exchange transactions R301,46 million (2023-24: R289,53 million) in note 4, as it was impracticable to do so.

BAD DEBT WRITTEN

6. The municipality did not account for bad debt written off in accordance with GRAP 1, *Presentation of financial statements*. The bad debt written off in the current and previous year was not accounted for and disclosed in the financial statement. As a result, the expenditure was understated by R19, 44 million (2023-24: R 123,96 million), and I was unable to determine the full extent of receivables from exchange and non-exchange transactions as it was impractical to do so. Additionally, there was an impact on the deficit for the period and the accumulated surplus.

Contracted services

7. The municipality did not have adequate systems to account for contracted services in accordance with GRAP 1, *Presentation of financial statements*, as contracted services was not recorded in correct accounting period. This resulted in contracted services being overstated by R22,28 million. Additionally, there was an impact on the deficit for the period.

VAT output accrual

8. The municipality did not have adequate systems to account for vat output accrual in accordance with GRAP 104, *Financial Instrument*. The municipality control accounts for the effects of receipts received and debt write-offs. Consequently, I was unable to determine the full extent of the overstatement of VAT output accrual stated at R 749, 20 million (2023-24: R 660, 98 million) in note 14 to the financial statements, as it was impracticable to do so.

VAT input accrual

9. The municipality did not have adequate systems to account for vat input accrual in accordance with GRAP 104, *Financial Instrument*. The municipality did not account for the effects of payments made. Consequently, I was unable to determine the full extent of

the overstatement of VAT input accrual stated at R 905, 81 million (2023-24: R 777, 79 million) in note 6 to the financial statements, as it was impracticable to do so.

Cash flow statement

SERVICE CHARGES AND PROPERTY RATES, OTHER SERVICES

10. The municipality's service charges and property rates, other services in the current and prior year were not correctly prepared and disclosed as required Standards of *GRAP 2, Cash flow statements.* This was due to multiple errors in the calculations. I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so.

INTEREST RECEIVED FROM CURRENT AND NON-CURRENT ASSET

11. The municipality's interest received from current and non-current assets in the current and prior year were incorrectly disclosed due to multiple errors in the calculation which constitute a departure from *GRAP 2, Cash flow statement*. I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so.

Employee costs

12. The municipality's employee costs were incorrectly disclosed due to multiple errors in the calculation which constitute a departure from *GRAP 2, Cash flow statement*. Consequently, I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so.

Suppliers

13. The municipality's suppliers in the current year and prior year were incorrectly disclosed due to multiple errors in the calculation which constitute a departure from *GRAP 2, Cash flow statement*. Consequently, I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so.

Purchase of property plant and equipment

14. The municipality's purchase of property plant and equipment in the current year and prior year were incorrectly disclosed due to multiple errors in the calculation which constitute a departure from GRAP 2, Cash flow statement. Consequently, I was not able to determine the full extent of the errors in the net cash flows from investing activities, as it was impracticable to do so.

Cash generated from operations

15. Cash generated from operations, note 43 to the financial statement was not correctly disclosed as various movements were not correct accounted for in the current year and prior year due to multiple errors in the calculations, which constitute a departure from GRAP 2, *Cash flow statement.* Consequently, I was not able to determine the full extent of the errors in the cash generated from operations, as it was impracticable to do so.

CONTEXT FOR OPINION

16. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

17. 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.

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

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

20. As disclosed in note 52 in the financial statements, which indicates that the municipality incurred a deficit of R358,90 million (2023-24: surplus of R72.63 million) during the year ended 30 June 2025, as of that date, the municipality's liabilities exceeded its assets by R 531,94 million (2023-24: R170,26 million). The municipality plans to address the cash

flow shortages through enhanced revenue collection and a resultant consistency in the payment of creditors when they become due.

EMPHASIS OF MATTERS

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

MATERIAL LOSSES – ELECTRICITY

22. As disclosed in note 39 to the financial statements, material electricity losses of R144, 07 million (2023-24: R88, 35 million) was incurred.

MATERIAL LOSSES – WATER

23. As disclosed in note 39 to the financial statements, material water losses of R19.52 million (2023-24: R8,87 million) was incurred.

OTHER MATTER

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

UNAUDITED DISCLOSURE NOTES

25. 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

26. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

27. 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

28. 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.

29. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at pages 399 - 402, forms part of my auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

30. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance area presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

31. I selected the following key performance area presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected 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

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Key performance area	Page numbers	Purpose
Basic service delivery and infrastructure development	230 – 254	Provision of basic services (water 100%, sanitation 100%, electricity 100%, solid waste and roads 100%)

32. I evaluated the reported performance information for the key performance area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

33. I performed procedures to test whether:

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

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

35. The material findings on the reported performance information for the selected key performance area are as follows:

Basic service delivery and infrastructure

Various indicators

36. I could not determine the accuracy of various reported achievements, as the indicators were not well defined and I could not verify the methods and processes used to measure the achievements. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.

Key performance indicators	Planned targets	Reported achievement
Percentage construction of 6km 11kv line between A Substation and Rooikoppen - Phase 1	50% completed designs on 11 KV line	Achieved. Construction @85%.
Number of streetlights repaired	400 streetlights repaired	353 streetlights repaired
Number of high mast lights repaired	20 high mast lights repaired	22 High Mast Lights repaired
Percentage households with refuse removal services	100% households with access to refuse removal service	100% households with access to refuse removal service
Percentage businesses with refuse removal services	100% of businesses with access to refuse removal service	100% of businesses with access to refuse removal service
Percentage construction of switching station at Rooikoppen - Phase 1	50% Construction of Switching Station at Rooikoppen. – Phase 1	Construction @ 55%.
Number of high mast lights installed	10 high mast lights installed	26 High mast lights installed
Number of lights on high masts and streetlights retrofitted with energy efficient lights	243 fittings replaced on high mast lights; 227 light fittings replaced on streetlights	243 fittings replaced on high mast lights; 227 light fittings replaced on streetlights
Percentage construction of 1	75% Cemetery constructed	Construction @ 79%.

Cemetery		
% Emergency, fire and rescue services attended	100% Emergency, fire and rescue incidents attended	100% Emergency, fire and rescue incidents attended

Number of illegal dumping sites cleaned

37. An achievement of 12 illegal sites cleaned was reported against a target of 12 illegal sites cleaned. However, the audit evidence showed the actual achievement to be only 4 illegal dumping sites cleaned. Consequently, the target was not achieved.

Various indicators

38. Based on the audit evidence, the actual achievements for the below indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially less. Consequently, the targets were not achieved, the under achievements on the targets were more than reported and the achievements against the targets were lower than reported.

Key performance indicators	Planned targets	Reported achievement
Number of water leaks repaired	1000 water leaks repaired	1151 water leaks repaired
Number of VIP toilets installed	150 VIP toilets installed	165 VIP toilets installed

Various indicators

39. Measures aimed at improving performance against targets were reported. However, I could not determine if the measures were actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

Key performance indicators	Planned targets	Reported achievement	Reported measure

Square meters of potholes patched	10000 square meters of potholes patching	6820 square meters of potholes patched	Remaining m² will be included in the 2025/2026 FY targets, due to financial constraints and ageing roads infrastructure network, the municipality will also strengthen relations with other stakeholders such as (SANRAL, NDOT, PWR&T, GSDM) to assist with pothole patching
Number of water meters replaced	90 water meters replaced	88 water meters replaced	Management will establish a metering section that will focus on water metering and installation that is adequately resourced
Number of boreholes installed	3 boreholes installed 2 boreholes installed	3 boreholes installed 2 boreholes installed	Identify alternative site for drilling of new borehole

Missing indicator

40. In terms of the Water Service Act 108 of 1997, the municipality is responsible for complying with drinking Water Quality Standards to ensure that all consumers or potential consumers in its area of jurisdiction to progressively gain efficient, affordable, economical and sustainable access to water services. However, an indicator to measure performance on this responsibility was omitted from the approved planning documents. The municipality indicated that the reason for the omission was due to inadequate coordination between the technical water services unit, the Integrated Development Planning and the performance management units during the planning phase. Consequently, the achievement of this legislative mandate was not planned or accounted for, which is likely to result in it not being delivered and undermines transparency and accountability for delivery on mandate.

OTHER MATTERS

41. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

42. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information

should be considered in the context of the material findings on the reported performance information.

43. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 230 to 254.

BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Targets achieved: 79%

Budget spent: 108.5%

Key service delivery indicator not achieved	Planned target	Reported achievement
Number of water meters replaced	90 water meters replaced	88 water meters replaced
Number of boreholes installed	3 boreholes installed	2 boreholes installed
Number of streetlights repaired	400 streetlights repaired	353 streetlights repaired
Square meters of pothole patched	10 000 square meters of pothole patching	6820 square meters potholes patched
Percentage municipal fleet maintained	100% municipal fleet maintained	31% municipal fleet maintained

MATERIAL MISSTATEMENTS

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

REPORT ON COMPLIANCE WITH LEGISLATION

45. 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.

46. 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.

47. 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.

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

Annual financial statements

49. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current liabilities, revenue, expenditure, and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

50. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with supply chain management (SCM) prescripts.

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51. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R168,24 million, as disclosed in note 55 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 incurred on late payments to suppliers.

52. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R156,23 million, as disclosed in note 54 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending on certain votes on the approved budget.

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

PROCUREMENT AND CONTRACT MANAGEMENT

54. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year.

CONSEQUENCE MANAGEMENT

55. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

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

Strategic planning and performance management

57. The performance management system and related controls were inadequate as it did not describe how the performance planning, monitoring, measurement, review, reporting and improvement processes should be conducted and managed, as required by municipal planning and performance management regulation 7(1).

Asset management

58. An adequate management, accounting and information system which accounts for assets was in place, as required by section 63(2)(a) of the MFMA.

59. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

OTHER INFORMATION IN THE ANNUAL REPORT

60. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported in this auditor's report.

61. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

62. My responsibility is to read this other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

INTERNAL CONTROL DEFICIENCIES

64. 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.

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

66. The accounting officer and senior managers did not implement adequate processes and controls for recording, reviewing, and reporting to ensure credible, complete, and accurate financial and performance information. This resulted in recurring material misstatements in the financial statements and performance reports.

67. The performance management system and related controls were inadequate as they did not describe how the performance planning, monitoring, measurement, review, reporting and improvement processes should be organised and managed to ensure valid, accurate and complete performance reporting for some of the key performance indicators.

68. Non-compliance with legislation could have been mitigated if the municipality had adequate resources and capacity to monitor compliance effectively and ensure regular review by senior management. The lack of these controls contributed to the compliance matters noted, as well as instances of unauthorised, irregular, and fruitless and wasteful expenditure.

MATERIAL IRREGULARITIES

69. In accordance with the PAA and the material irregularity (MI) regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

MATERIAL IRREGULARITY IN PROGRESS

70. I identified other material irregularity during the audit and notified the accounting officer of these, as required by material irregularity regulation 3(2). By the date of this auditor's report, the responses of the accounting officer were not yet due. These material irregularities will be included in next year's auditor's report.

STATUS OF PREVIOUSLY REPORTED MATERIAL IRREGULARITIES

POLLUTION OF WATER RESOURCE NOT PREVENTED – STANDERTON WASTEWATER TREATMENT WORKS

71. The Standerton Wastewater Treatment Works has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewage into the adjacent environment, including groundwater and the Vaal River. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring as required by section 28(1) of the NEMA and section 19(1) of the NWA. The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resource.

72. The accounting officer was notified of this material irregularity on 24 November 2023 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity.

73. I referred the material irregularity to the Department of Water and Sanitation (DWS) on 14 April 2025 for investigation, as provided for in section 5(1A) of the PAA. The referral was accepted by the DWS on the same day, and the investigation is currently in progress.

POOR MANAGEMENT OF THE MORGENZON WASTE LANDFILL SITE

74. The municipality has been operating the Morgenzon waste landfill site without a valid licence or permit. A closure licence was issued to the municipality in the year 2016 to restore and rehabilitate the site and surrounds. The Municipality has been operating the landfill site in a manner that is not in compliance with license conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control, Illegal waste dumping , uncontrolled / informal recyclers and animals roam the sites – with indication of daily living including housing structures and other makeshift facilities, no monitoring and sampling of surface / groundwater / gas monitoring, no control over water runoff or leachate management, no compacting/ covering of waste - windblown waste, burning of waste causing air pollution.

75. The municipality consequently did not dispose and treat waste in an environmentally sound manner that does not endanger health, or the environment as required by section 16(1) of the National Environmental Management Waste Act 59 of 2008. The municipality further did not take reasonable measures to prevent pollution or degradation from occurring, continuing or recurring as required by section 28(1) of NEMA. The municipality also did not ensure that any other situation exists, which causes, has caused or is likely to cause pollution of a water resource, must take all reasonable measures to prevent any such pollution from occurring, continuing, or recurring as required by section 19(1) of the NWA. The non-compliance is likely to cause substantial harm to the community members utilising the landfill site, the water resource and the communities adjacent to the landfill site.

76. The accounting officer was notified of this material irregularity on 24 November 2023 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity.

77. I referred the material irregularity to the Department of Forestry, Fisheries and the Environment (DFFE) on 14 April 2025 for investigation as provided for in section 5(1A) of the PAA. On 21 May 2025, DFFE sub-referred the material irregularity to the Mpumalanga Department of Agriculture, Rural Development, Land & Environmental Affairs (DARDLEA) for further investigation. The referral was accepted by DARDLEA on 30 July 2025, and the investigation is currently in progress.

AUDITOR GENERAL

Mbombela

30 November 2025

Chapter 6

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Chapter 6

Annexure to the auditor's report

The annexure includes the following:

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

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for 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 a municipality to cease operating as a going concern.
- evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

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

Chapter 6

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation and regulations	Consolidated firm level requirements
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)

Chapter 6

Legislation and regulations	Consolidated firm level requirements
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2),11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

COMMENTS ON AUDITOR GENERAL'S OPINION: 2024/2025

The Municipality is committed to further improving the audit where the ultimate objective is to obtain an unqualified Audit Opinion (Clean Audit). This process will be closely monitored through the developed post audit action plan to address the audit findings that remained. The following key findings will be addressed in the 2025/2026 financial year:

- Irregular expenditure
- Receivable from exchange and non - exchange
- Cash flow statement

Vat output and input Accrual
Contracted services
Bad debt written off

The Municipality has developed an audit action plan that will be monitored on a quarterly basis in an effort to ensure that we are able to improve from the qualified audit opinion. The Municipality will again request Auditor General (SA) to perform a status of records review, which has assisted as an early warning or alert system to enable the Municipality to take required steps to correct potential control deficiencies. It will also assist in the implementation of the action plan to be more insightful and relevant, ensuring greater impact towards an improved audit outcome for the 2025/2026 financial year.

In order for the Municipality to improve the audit outcome, it will be important to constantly look at ways to further improve systems and the key drivers of internal control in order to move from the recently obtained qualified audit outcome in the 2024/2025 financial year, to an unqualified audit outcome for 2025/2026.

Emphasis will also be placed on improving areas for the audit of performance against predetermined objectives by ensuring that findings raised in respect consistency between planned and reported Indicators and targets as well as consistency between planning and reporting documents to ensure that indicators are well defined and additional reviews of reported achievements in the annual performance report will be undertaken.

The Municipality will continue to strive to improve in respect of the following key aspects:
a) Governance.
• A functional Internal Audit unit
• Quarterly performance reviews.
• Functional Audit Committee.
• Compliance with legislation.
b) Financial Management.
• Records keeping and document management.
• Adherence to reporting requirements.
• Compliance to Generally Recognized Accounting Practice (GRAP) accounting standards.
• Monthly balancing of registers and control accounts.

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer confirms that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)…………………………………………………….... Dated *T 6.2.5*

GLOSSARY

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	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and

indicators	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

GLOSSARY

	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

APPENDIX A – COUNCILLORS

APPENDIX A.1 COUNCILLORS

Councillors, Committees Allocated and Council Attendance 2023/2024

	Council Members	**Gender (Male / Female)**	**Ward / Proportional Representation (PR)**	**Full Time / Part Time** **FT/PT**	***Ward and/ or Party Represented**	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
						% = number of meetings attended x 100/total number of council meetings (*12 Council sittings held)*	% = number of apologies x 100 / total number of council meetings
1	Michael Sifiso Mngomezulu	Male	Ward 1	PT	African National Congress (ANC)	*6/12 (50%)*	6 Apologies
2	Piet Melusi Radebe	Male	Ward 2	PT	African National Congress (ANC)	*12/12 (100%)*	None
3	Mapaseka Molaba	Female	Ward 3	PT	African National Congress (ANC)	*8/12 (67%)*	4 Apologies
4	Litheko Moses Marago	Male	Ward 5	PT	African National Congress (ANC)	*11/12 (92%)*	1 Apology
5	Smanga Phillemon Ngwenya	Male	Ward 6	PT	African National Congress (ANC)	*7/12(58%)*	5 Apologies
6	Swazi Albert Tshabalala	Male	Ward 7	PT	African National Congress (ANC)	*9/12 (75%)*	3 Apologies
7	John Daniel Nkutha	Male	Ward 9	PT	African National Congress (ANC)	*9/12 (75%)*	2 Apologies
8	Sibusiso Blessing Ngqulunga	Male	Ward 11	PT	African National Congress (ANC)	*11/12 (92%)*	1 Apology
9	Thabang Colette Motaung	Male	Ward 12	PT	African National Congress (ANC)	*11/12 (92%)*	1 Apology
10	Sesana Witnes Masondo	Female	Ward 13	PT	African National Congress (ANC)	*12/12 (100%)*	None

11	Doctor Robert Manana	Male	Ward 14	PT	African National Congress (ANC)	*11/12 (92%)*	1 Apology
12	Malekoa Rose Motloung	Female	Ward 15	PT	African National Congress (ANC)	*9/12 (75%)*	3 Apologies
13	Sekoele Aubrey Maboea	Male	PR	PT	African National Congress (ANC)	*11/12 (92%)*	1 Apologies
14	Seipati Mitta Modise	Female	PR	FT (Member of Mayoral Committee)	African Transformation Movement (ATM)	*12/12 (100%)*	None
15	Carlos Alberto Olim Franco	Male	Ward 8	PT	Democratic Alliance (DA)	*11/12 (92%)*	1 Apology
16	Gibson Jabulani Xulu	Male	PR	PT	Democratic Alliance (DA)	*11/12 (92%)*	1 Apology
17	Sithi Aluncedo Silosini	Female	PR	PT	Democratic Alliance (DA)	*11/12 (92%)*	1 Apology
18	Nwabisa Sheila Tlhakudi	Female	PR	PT	Democratic Alliance (DA)	*12/12 (100%)*	None
19	Dumisani Joseph Msibi	Male	PR	FT (Whip of Council)	Economic Freedom Fighters (EFF)	*12/12 (100%)*	None
20	Phindile Cynthia Mahlaba	Female	PR	FT (Member of Mayoral Committee)	Economic Freedom Fighters (EFF)	*10/12 (83%)*	*2 Apologies*
21	Amanda Patricia Mancane Mthimkhulu	Female	PR	PT	Economic Freedom Fighters (EFF)	*10/12 (83%)*	*2 Apologies*
22	Delani Louis Thabethe	Male	PR	FT (Executive Mayor)	Lekwa Community Forum (LCF)	*12/12 (100%)*	*None*
23	Oliver Phiri	Male	PR	FT (Speaker of Council)	Lekwa Community Forum (LCF)	*10/10 (100%)*	*None*
	Nrateng Priscilla Selepe	Female	PR	PT	Lekwa Community Forum (LCF)	*2/2 (100%)*	*Replaced Clr O Phiri (Council Resolution A19: 2024-03-26)*

24	Jan Thabo Sebiloane	Male	PR	FT (Member of Mayoral Committee)	Lekwa Community Forum (LCF)	*12/12 (100%)*	*None*
25	Sipho Amos Majozi	Male	PR	FT (Member of Mayoral Committee) FT (Speaker with effect from 2024-03-26)	Lekwa Community Forum (LCF)	*12/12 (100%)*	*None*
26	Nomakhosi Cynthia Nhlapo	Female	PR	PT	Lekwa Community Forum (LCF)	*11/12 (92%)*	1 Apology
27	Ronald Sello Tsotetsi	Male	PR	PT	Lekwa Community Forum (LCF)	*11/12 (92%)*	*1 Apology*
28	Jacobus Cornelius Stoltz	Male	Ward 4	PT	Independent	*12/12 (100%)*	*None*
29	Wilma Venter	Female	Ward 10	PT	Vryheids Front Plus (VFP)	*12/12 (100%)*	*None*
30	Daniel Jakobus Venter	Male	PR	PT	Vryheids Front Plus (VFP)	*10/12 (83%)*	2 Apologies
	*Note: * Councillors appointed on a proportional basis do not have wards allocated to them*						

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

APPENDIX B - COMMITTEES AND THEIR PURPOSES	
Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
AUDIT COMMITTEE	
1.Audit and Performance Audit Committee	The purpose of the Audit Committee is to advice the municipal Council, the political office-bearers, the accounting officer and Management staff of the municipality on matters relating to: 1. Internal financial control and internal audits;

	2. Risk Management;
	3. Accounting Policies;
	4. The adequacy, reliability and accuracy of financial reporting and information;
	5. Performance management;
	6. Effective governance;
	7. Compliance with the MFMA, Division of Revenue Act (DoRA) and other applicable legislation;
	8. Performance evaluation; and
	9. Any other issues referred to it by the Municipality.
	In terms of Regulation 14 (c) of the Municipal Planning and Performance Management Regulations, 2001, the Municipality has opted to utilise the established Audit Committee as the Performance Audit Committee and is required to inter alia do the following:
	1. Review the quarterly reports submitted to it by the Internal auditors on the performance measurements of the municipality;
	2. Review the municipality's performance management system and make recommendations in this regard to the municipal council;
	3. At least twice during a financial year submit an audit report to the municipal council;
	4. Any other issues referred to it by the Municipality
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	
2. Municipal Public Accounts Committee (MPAC)	MPAC performs an oversight function on behalf of Council and is not a duplication of and should not be confused with the role played by the Audit Committee or that of the Finance Committee.
	The primary function of the MPAC is to assist Council to hold the executive and the municipal administration to account and to ensure the effective and efficient use of municipal resources. It executes this function by reviewing the accounts and financial statements of the municipality and exercising oversight on behalf of Council and to report to council on its activities.
	MPAC acts independently has the right to refer or receive matters and reports from other committees.
	MPAC may inter alia consider the following:
	To examine the annual financial statements;
	Any audit reports issued on the Annual Financial Statements;
	Any reports issued by the Auditor-General on the affairs of the municipality;
	Receive reports from the Audit Committee;
	Any other report referred to the Committee by Council;
	As an Oversight Committee, review the Annual Report on behalf of Council and make recommendations to Council thereafter;
	MPAC may also:
	Table reports with findings and recommendations on any financial statements or reports to Council;
	Initiate and develop the annual oversight report based on the annual report;
	Recommend and initiate any investigation in its area of competence;
	Seek information from any councillor, employee or any person outside council when conducting an investigation;
	Perform any other functions assigned to it by resolution of Council;
	When examining financial statements and audit reports, the committee to consider improvements from previous statements and must monitor the extent to which the committee's and the Auditor General's recommendations are implemented.
	The outcomes and the resolutions taken by the MPAC must be reported to Council and must be made public.
COUNCIL OVERSIGHT COMMITTEES	
3. Council section 79 Oversight Committees	The Council had established the following committees in terms of section 79 of the Municipal Structures Act, 117 of 2008 in order to allow an oversight role to be exercised in respect of service delivery and budget implementation:

	a) Corporate Services and Community Services and Safety
	b) Technical Services and Planning
	c) Budget and Treasury
RULES, ETHICS, BY-LAWS AND POLICIES COMMITTEE	
4. Rules, Ethics, By-laws & Policies Committee	Foster and maintain discipline among the Councillors
	Monitor the implementation of rules and ethical behaviour of Councillors
	Attend to petitions and motions
	Monitor the implementation of Council resolutions
	Review the standing orders
	Propose the establishment of a particular committee
	Review the delegations register
	Initiate the development, rationalisation and review of by-laws and policies
	Perform any other functions assigned to it by resolution of Council
LOCAL GEOGRAPHICAL NAMES COMMITTEE (LGNC)	
5. Local Geographical Names Committee (LGNC)	To identify or help to identify geographical features for possible name standardisation;
	To receive and process submissions/applications from individuals and or organisations regarding the standardization of geographical names;
	To conduct public participation programmes in which proposed name changes will be discussed by the relevant stakeholders;
	To ensure that the standardization of geographical names takes place within a municipal area of jurisdiction area in line with guidelines published by the Mpumalanga Provincial Geographical Names Committee (MPGNC);
	Create an atmosphere and mechanisms including sub structures, suitable for the participation of all stakeholders;
	To conduct awareness raising activities about the programme of standandising geographical names and to ensure that the public is adequately informed about such processes;
	Receive and strive to resolve any objections related to the process of standardizing geographical names in line with MPGNC guidelines for handling objections;
	Prepare and submit reports on a regular basis to Council, the Regional Geographical Names Committee and the MPGNC;
	Monitor the implementation of standardized geographical names in its jurisdictional area and report any failure to implement to Council and the MPGNC;
	Ensure that all the administration related to the process of standardizing geographic names in its jurisdictional area is properly addressed;
	Ensure correspondence with all parties concerned especially the applicants and identifiable objectors as per the applicable MPGNC guidelines;
	Interface and interact with the Town Planning, property developers and residents on the naming of any new settlements, streets, public spaces or any related geographic features;
	Implement provisions of the SAGNC Act, SAGNC Regulations, Provincial policy and related provincial regulations on the standardisation of geographic names as may be promulgated from time to time.

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Within the Municipality, the next tier of the administrative structure consists of managers across the various departments. This tier of management is permanently employed and are not required to sign performance agreements on an annual basis. They are however bound by their approved and signed job descriptions as a means to hold them accountable for duties that ought to be performed. It is envisaged that the implementation of individual performance management and with the signing of some kind of a commitment to hold this tier of management more responsible to fulfil their employment obligations will also be introduced.

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

APPENDIX D - FUNCTIONS OF THE MUNICIPALITY		
Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No)***	**Function Applicable to Entity (Yes / No)**
Constitution Schedule 4, Part B functions:		
Air pollution	No	GSDM
Building regulations	Yes	
Child care facilities	No	N/A
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	No	N/A
Municipal public transport	No	N/A
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	N/A
Stormwater management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
Beaches and amusement facilities	No	N/A
Billboards and the display of advertisements in public places	Yes	
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	Yes	
Fencing and fences	Yes	
Licensing of dogs	Yes	
Licensing and control of undertakings that sell food to the public	Yes	GSDM
Local amenities	Yes	
Local sport facilities	Yes	
Markets	No	N/A
Municipal abattoirs	No	N/A
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	No	
Pounds	Yes	

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

APPENDIX E – WARD REPORTING

Functionality of Ward Committees			
Ward Number	**Name of Ward Councillor and elected Ward committee members**	**Ward Committee established with ward operational plans (Yes / No)**	**Functionality of Ward Committees through meetings convened**
Ward 1	Michael Sifiso Mngomezulu	Yes	Functional
Ward 2	Piet Melusi Radebe	Yes	Functional
Ward 3	Mapaseka Molaba	Yes	Functional
Ward 4	Jacobus Cornelius Stoltz	Yes	Functional
Ward 5	Litheko Moses Marago	Yes	Functional
Ward 6	Smanga Phillemon Ngwenya	Yes	Functional
Ward 7	Swazi Albert Tshabalala	Yes	Functional
Ward 8	Carlos Alberto Olim Franco	Yes	Functional
Ward 9	John Daniel Nkutha	Yes	Functional
Ward 10	Wilma Venter	Yes	Functional
Ward 11	Sibusiso Blessing Ngqulunga	Yes	Functional
Ward 12	Thabang Colette Motaung	Yes	Functional
Ward 13	Sesana Witnes Masondo	Yes	Functional
Ward 14	Doctor Robert Manana	Yes	Functional
Ward 15	Malekoa Rose Motloung	Yes	Functional

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APPENDIX F – WARD CAPITAL PROJECTS 2024/2025

Capital Projects: Seven Largest in 2023/2024 (Full List at Appendix O)					
					R'
No.	Project Name and detail	Ward	Start Date	End Date	Total Value
1	Upgrading of Standerton Water Bulk System phase 2A: Construction of Kieser Reservoir and Pressure Tower.	10	09-Jan-23	30 Jun- 25	36 561 677
2	Installation of 26 high masts lighting in Sakhile ext 8, Thuthukani, Sivukile and rural areas	9,12,13 & 14	01-Jul- 24	30 Jun 25	16 634 750
3	Development of Thuthukani Cemetery	12	01-Jul-24	TBA	11 971 960
4	Construcion of 11KV Switching Station for Rooikoppen	11	01-Jul-24	TBA	17 742 773
5	Construction of 6km ,11KV line from Substation A to Rooikoppen	7,11	01-Jul-24	TBA	12 543 909
6	Retrofitting of High mast Lights and Street Lights with LED lights		01-Jul- 24	30 Jun 25	4 000 000
7	Rehabilitation of 1km Vry Street	10	01-Jul- 24	30 Jun 25	11 000 000
					T F.1

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	37242	37337	36580	32870	
Households without minimum service delivery	1341	1246	2003	5713	
Total Households*	38583	38583	38583	38583	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

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

	RESOLUTIONS	PROGRESS	RESPONSIBLE PERSON	IMPLEMENTED/ RESOLUTION NOT IMPLEMENTED	PROGRESS PERCENTAGE	CHALLENGES	DUE DATE
24-Oct-24	**Resolutions tracking**						
AUDIT ACTION PLAN							
1	Management SHOULD Ensure that all the findings reported as in progress are completed and fully implemented	Implementation is as follows: Findings in progress (82) Findings completed (25)	Municipal Manager & All Executive Managers	In progress			On-going
FINANCIAL REPORTS							
2	Management SHOULD develop revenue management committee also encourage revenue protection	The revenue management committee has been developed. The committee meets on a regular basis	CFO & ALL Executive Managers	Completed	None	None	Completed
ICT REPORT		-					
3	That the VIP backup testing being included in the ICT report as evidence that these back-ups are being done on a regular basis.	The back up reports have been included	HOD Corporate & Manager ICT	Completed	None	None	Completed

SDBIP REPORT							
4	Management SHOULD develop a catch-up plan for the not achieved KPIs.	Catch-up plan for targets not achieved were carried over into subsequent quarters	All HOD's and Manager PMS	Completed	None	None	Completed
-	**Total Resolutions = 4**						
-	**Resolutions implemented = 3(75%)**						
-	**Resolutions in progress = 1 (25%)**						
-	**Resolutions not implemented = 0**						
24-Jan-25							
AUDIT ACTION PLAN							
1	That all officials at the revenue unit SHOULD attend training to enhance and develop their skills noting all the issues in that department.	Employee training is ongoing. A training session was conducted for meter readers, focusing on performing meter readings using the meter reading device.	CFO & Manager revenue	In progress			On-going
2	That the interim AFS will be prepared and will be submitted to the Audit Committee for review so they can sort out their issues before the Annual Financial Statement	No progress provided	Chief Financial Officer	Resolution not implemented			Annually

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FINANCIAL REPORTS							
3	Management SHOULD make a PAYMENT ARRANGEMENT for settling the ESKOM debt.	The municipality is currently experiencing challenges with paying Eskom, this results in escalating debt owed to the two institutions	Accounting Officer & Chief Financial Officer	In progress			On-going
RISK MANAGEMENT REPORT							
4	The PERFORMANCE ASSESSMENTS for ~~the for~~ senior managers of the municipality has not been done and it is recommended that this be implemented urgently.	Dates to be set up for performance reviews to be conducted.	All HOD'S & Manager PMS	In progress			
	Total Resolutions = 4						
	Resolutions implemented = 0						
	Resolutions in progress = 3						
	Resolutions not implemented = 1						
24-Apr-25							
AUDIT ACTION PLAN							

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1	Management SHOULD ensure that issues that were raised on Cashflow Statement are adequately addressed	Cash flow statement has been reworked, the workings shows split between cash and non-cash items. This was done for both prior year and the year under audit	Chief financial Officer	In progress			On-going
Material Irregularities Status update							

2	That managemet SHOULD report on a quarterly basis on the MIS, they must give indication of what the two departments are doing in order to assit in implementing of the finding	The Municipality, through its appointed Consultant, initiated a process during the **2024/2025 financial year** to address the environmental non-compliance through the **Rehabilitation and Closure of the Morgenzon Landfill Site**. Accordingly, the Consultant, acting on behalf of the Municipality, **submitted an application for a closure licence to the Department of Agriculture, Rural Development, Land and Environmental Affairs (DARDLEA)**.Subsequently, **DARDLEA referred the application to the Department of Water and Sanitation (DWS)** for the issuance of a **Record of Decision (ROD)** as required under applicable environmental legislation. The **DWS reviewed the application and issued a Record of Decision dated 31 July 2025** (attached hereto as **Annexure A**).However, DWS later deemed the application **incomplete** and consequently **closed the file**, indicating that a **new, comprehensive application** must be submitted to ensure	Executive Manager : Community services	In progress			On-going

		full compliance with the relevant environmental and water legislation. The Municipality, in consultation with the appointed Consultant, has since **initiated internal processes** to compile and **resubmit a complete application to DARDLEA**, which will in turn be forwarded to DWS for consideration and issuance of a new Record of Decision.					
FINANCIAL REPORTS							

3	That management SHOULD provide the strategies that are in place to try to stabilize or increase revenue streams	Strategies to increase municipal revenue are outlined in the attached budget funding plan. However, moving forward, we will prepare a separate document.	Chief financial Officer	In progress			On-going
4	Management SHOULD develop an action plans to improve the correction rate beyond the 72%	No progress has been submitted	Chief financial Officer& All HOD's	Resolution not implemented			On-going
Risk Management Report							
5	That management must IMPROVE on the implementation of risk mitigations to have risk exposure changed to better, and also work hand in hand with chairperson to ensure that risk are managed at all risk that the municipality exposed to	Management has improved on the implementation of the risk mitigating plans. All departmentrs achieved implementation above 80%	All HOD'S	Implemented			On-going
	Resolutions Implemented 1						
	In progress 3						
	Not implemented 1						
22-Jul-25							
FINANCIAL							

REPORT							
1	Management SHOULD ensure that the ESKOM & DWS debt is significantly reduced.	The municipality is currently experiencing challenges with paying Eskom and DWS current accounts, this results in escalating debt owed to the two institutions	Chief financial Officer& All HOD's	In progress			On-going
2	That the irregular expenditure should be thoroughly INVESTIGATED.	There has been a reduction in current year reported Irregular expenditure. The municipality is investigating historical irregular expenditure	Chief financial Officer& All HOD's	In progress			On-going
3	That Management should ENSURE that a credible set of the Annual Financial Statements are submitted to the Auditor General on time.	Annual Financial Statements were submitted on time AGSA	Chief financial Officer& All HOD's	Implemented	None	None	30-Aug-25
4th Quarter IT Report							
4	That internal auditors REVIEW the implemented systems (MunAdmin and VPN) to confirm that they are working as intended and that the municipal data kept in information systems is not	The review will be done when I.A performance the audit of ICT as per the approved I.A plan	Chief Audit Executive	In progress			On-going

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	accessible by illegitimate users						
Quarter Risk Management Report							
5	That the INVESTIGATION regarding the municipality's fuel theft should be implemented, and if any disciplinary steps need to be implemented	Disciplinary process for the employee implicated has been initiated	All HOD's & CAE	In progress			On-going
Internal Audit Reports							
	That there should be a SPECIAL AUDIT COMMITTEE meeting to review the AFS before submission to AGSA.	Audit Committee reviewed the Annual Financial Statements before submission to AGSA. Management received review notes and corrections were made	Audit committee & Management	Implemented	None	None	Completed
	That management ENSURES that all the actions in the Action plan are addressed.	Audit Action plan is monitored and reported on monthly	Municipal Manager & All HOD's	In progress			On-going
	Implemented 1						
	In progress 5						

	Not implemented 0						

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS ENTERED INTO DURING 2024/2025

For the 2024/2025 financial year no new long-term contracts or public private partnerships that were entered into.

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER SCHEDULE

For the 2024/2025 financial year, below is the service providers contracted in by the municipality. The Municipality did not have any municipal entities under its control for the year under review.

SINGLE APPOINTMENTS							
CATEGORY	No	CONTRACT NUMBER	Supplier name	DESCRIPTION OF GOODS/SERVICES/PROJECTS	Contract Value	TOTAL CONTRACT VALUE AFTER ADDITIONS	CONTRACT AMOUN
SYSTEM	1	2003/015693/D7	VIP Sage	Manage human rescourcing and payroll	R 2 417 695,54	R 2 417 695,54	-R 2 417 695,5
	2	MUN-4338	Munsoft	Financial System	R -	R -	R
	3	BTO 08-2022-2023	Equalizer	Professional Service Provider: Electricity vending system	R 16 496 344,02	R 16 496 344,02	-R 16 496 344,0

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	4	CS/03/2022-2023	Compusol IT Technologies	Supply, installation and maintenance of ahosted voip (voice over the internet protocol) telephone system, call centre system internet and the virtual private for 36 months	R 17 377 184,11	R 17 377 184,11	-R 17 377 184,1
	5	MICROSOFT	Microsoft 365	Microsoft office 365 (E3) subscription	R 4 362 938,03	R 4 362 938,03	-R 1 627 602,9
	6	BTO 02/2022/23	DDP Valuers (PTY) LTD	COMPILATION AND MAINTENANCE OF GENERAL VALUATION ROLL	R 4 076 674,48	R 4 076 674,48	-R 4 076 674,4
BANKING	7	BTO 01/2018/2019	Nedbank	Provision of Banking Services for a period of 36 Months	R 1 313 589,70	R 1 313 589,70	-R 1 313 589,7
	8	BTO 01/2018/2019	Nedbank	Nedfleet	R 12 573 635,43	R 12 573 635,43	-R 12 573 635,4

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VAT, FINANCIALS, ASSETS, UIFW	9	BTO 11-2022-2023	MAXPROF	VAT recovery service for a period of 36 months	R 1 302 523,81	R 1 302 523,81	-R 1 302 523,8
	10	BTO02-2023-2024	Inkazimulo Consulting (PTY) LTD	Preparation of Annual Financial Statements for period 36 months for lekwa local Municipality	R 8 430 000,00	R 9 374 900,00	-R 5 343 245,0
	11	BTO 06-2025-2025	Inkazimulo Consulting (PTY) LTD	Investigating irregular expenditure completeness from 2017 to 2024 financial year	R 1 330 000,00	R 1 330 000,00	
	12	BTO03-2023-2024	West Rand Consulting	Preparation & Updating of GRAP Coompliant Assets register for a period 36 months for Lekwa Local Municiplality	R 8 215 000,00	R 8 487 999,97	-R 4 577 999,9
OTHER SERVICES	13	RT15-2016	Vodacom	Smart metering as a service, smart electricity and water metering	R 4 858 001,64	R 4 858 001,64	-R 4 858 001,6
	14	DTS 16 2021-2022	MPPM	Appointment maintance, testing inspection and replacing of electricity equipment on Lekwa municipality electricity network.	R 62 834 961,54	R 62 834 961,54	-R 62 834 961,5

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15	BTO 04 2024/2025	Kunene Makopo Risk Solution	Management of Short-Term Insurance Portfolio		R -	
16	RT3	Dido Digital	Leasing of printing and photocopier Machines for a period of 36 months	R 6 450 067,62	R 6 450 067,62	-R 6 450 067,6
17	CS 07-2023-2024	Nexus Forensic Services (pty) ltd	Provision of professional service provider for the provission of background checks, verification and screening service for potential candidate for the period of 36 Months	R 51 173,36	R 51 173,36	-R 51 173,
18	BTO 04-2022-2023	Morounkem Trading and Projects (PTY) LTD	Appointment for the printing and Distribution of Municipal Consumer account statements for a period of 36 months	R 7 207 399,39	R 7 207 399,39	-R 7 207 399,3
19	BTO 01-2023-2024	Riley Auctioneers T/A Riley Autions Africa (PTY) LTD	Appointment of a service provider for the Auctioneering of movable assets for a period of 36 months	R -	R -	R
20	DTS07-2023-2024	TJM GREENTECH (PTY) LTD	Appointment letter for sourcing of funds and implementation of energy efficiency and renewable energy projects at risk for a period of 36 months	R 4 000 000,00	R 4 000 000,00	-R 4 000 000,0

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21	BTO 04-2023-2024	Sondeza Development and investment (PTY) LTD	Implementation of credit control measures (Cut -Off and Reconnection services) for a period of 36 months	R 5 214 361,05	R 5 214 361,05	-R 5 214 361,0
22	BTO07-2022-23	Nonki C Travels	Appointment of travel management service provider for the period of three years in Lekwa Local Municipality	R 6 121 979,91	R 6 121 979,91	-R 6 121 979,9
23	CS 05-2023-2024	Bargain Uniforms (PTY) LTD	Appointment for the provision and supply of various personal protective equipment for Lekwa Local Municipality for the period of 36 months	R 1 998 593,05	R 1 998 593,05	- 1 998 59
24	CSS01-2023-2024	Izinjomane Security (PTY) LTD	Appointment of service provider to render security service at access points, installation of alarm system and patrol premises for Lekwa Local Municipality	R 128 843 780,33	R 128 843 780,33	- 36 593 58
25	DTS 10/2023/2024	Bathabile Kasetie trading & projects (PTY) LTD	Appointment for provision, supply and delivery of plumbing pipes, fittings, tools and water meters for a period of 36 months	R 1 212 709,50	R 1 212 709,50	- 1 212 70
26	DTS 17/2023/2024	Nguni Consulting (PTY) LTD	Appointment of service provider for sourcing of funds at risk and implementation of integrates urban development: bulk infrastructure projects in Lekwa Local Municipality for a period of 36 months	R -	R -	

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	27	DTS 01 – 2024 – 2025	Metsi Chem International	Supply and delivery of chemicals for purification of water and wastewater in Standerton and Morgenzon	R 806 695,30	R 806 695,30	
ENGINEERING CONSULTANTS	28	CSS 01/2022/2023	Enhanced Innovations Projects (PTY) LTD (Operation)	Appointment for upgrading of the Standerton Landfill site for a period of 36 months	R 19 665 000,00	R 19 665 000,00	-R 11 914 767,7
	29	DTS 05-2023-2024	XPERO trading	Appointment of a consultant for design, construction supervision and project administration and closeout for construction of a 1,5 hectare Thuthukani cemetry site in Lekwa Local Municipality	R 1 286 850,00	R 1 286 850,00	R
	30	DTS 01-2023-2024 (PANEL)	2MC Consulting Enginners	Design, construction supervision and project administration and closeout for the rehabilitation of 5KM Bauman street adjoining the R50 and R39 provincial Road in Lekwa Local Municipality	R 3 110 290,00	R 3 110 290,00	-R 216 599,4
	31	DTS 02-2023-2024	MPPM Consulting Engineering	Engineering consultant for Design, construction supervision and project administration and closeout for the supply and installation of 26 highmast lights in different wards of the municipality (ward 9,12,13,and 14) in Lekwa Local Municipality (F-Tech)	R 1 316 601,08	R 1 316 601,08	-R 1 316 601,0
CAPITAL PROJECTS	32	DTS 1-2022-2023	DHAHABU Consulting (PTY) LTD	Upgrade of a substation three phase 20MVA 33/11 KV transformer (Limacon)	R 3 951 975,00	R 3 951 975,00	-R 3 441 173,1

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	33	CSS 01/2022/2023	Enhanced Innovations Projects (PTY) LTD (Construction)	Appointment for upgrading of the Standerton Landfill site for a period of 36 months	R 19 606 614,50	R 23 527 937,40	-R 18 599 561,3
	34	DTS08-2023-2024	F - TECH SERVICES (PTY) LTD	Appointment for the replacement,refurbishment and maintenance of existing windmills, electrical pumps solar panels and hand pumps on an as and when required	R 13 901 740,46	R 13 901 740,46	-R 13 901 740,4
	35	DTS 15 -2023-2024	Izinjomane Security (PTY) LTD	Appointment for construction of 6km, 11 kv line from substation A to Rooikoppen	R 12 543 909,10	R 12 543 909,10	- 9 855 99
	36	DTS 16-2023-2024	Kenfore Engineering & projects Management	Appointment for construction of 11 KV switching station for Rooikoppen	R 17 642 773,27	R 17 642 773,27	- 8 679 59
	37	DTS 14-2023-2024	F - TECH SERVICES (PTY) LTD	Appointment for installation of 26 high mast lighting in different wards of Lekwa Local Municipality (Wards 9,12,13 and 14)	R 15 318 149,28	R 15 318 149,28	- 12 792 94
	38	DTS 05 – 2024-25	Senzazona (PTY) LTD	Appointment letter for installation of Clearview fence at electrical in Lekwa in Lekwa Local Municipality	R 1 192 527,00	R 1 192 527,00	

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CATEGORY	No. Sort by numbers (smallest to largest) to match with the category	CONTRACT NUMBER	Supplier name	DESCRIPTION OF GOODS/SERVICES/PROJECTS	Contract Value	TOTAL CONTRACT VALUE AFTER EDDITIONS	CONTRACT AMOUN
	39	DTS 06 - 2024 - 2025	LEVAY'S GENERAL TRADING	RE – Instatement and refurbishment of Sakhile Stadium in Lekwa Local Municipality	R 2 973 387,85	R 2 973 387,85	
PANEL APPOINTMENTS							
WATER TANKERS	1	WS01-2023-2024	Vuka Sbeko	Appointment for servicers for the rental of water tankers on an as and when needed basic for the period of 36 months (Addition to the existing panel)	R 2 853 951,48	R 2 853 951,48	-R 2 853 951,4
	2	WS01-2023-2024	Ebafaneni cleaning, grass cutting, and gardening services	Appointment for servicers for the rental of water tankers on an as and when needed basic for the period of 36 months (Addition to the existing panel)	R 2 718 587,14	R 2 718 587,14	-R 2 718 587,1
	3	WS01-2023-2024	Lindulwazi Projects	Appointment for servicers for the rental of water tankers on an as and when needed basic for the period of 36 months (Addition to the existing panel)	R 1 253 432,22	R 1 253 432,22	-R 1 253 432,2
	4	WS01-2023-2024	Triple action holdings	Appointment for servicers for the rental of water tankers on an as and when needed basic for the period of 36 months (Addition to the existing panel)	R 1 844 875,75	R 1 844 875,75	-R 1 844 875,7

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	5	WS01-2023-2024	Asambe ndoda general trading	Appointment for servicers for the rental of water tankers on an as and when needed basic for the period of 36 months (Addition to the existing panel)	R 2 138 047,21	R 2 138 047,21	-R 2 138 047,2
	6	WS01-2022-2023	VIYOKHULUMANI TRADING (PTY) LT	Appointment for servicers for the rental of water tankers on an as and when needed basic for the period of 36 months	R 1 948 736,00	R 1 948 736,00	-R 1 948 736,0
	7	WS01-2022-2023	Namasango Business enterprice	Appointment for servicers for the rental of water tankers on an as and when needed basic for the period of 36 months	R 3 749 534,99	R 3 749 534,99	-R 3 749 534,9
	8	WS01-2022-2023	Phakamile investment	Appointment for servicers for the rental of water tankers on an as and when needed basic for the period of 36 months	R 7 393 112,00	R 7 393 112,00	-R 7 393 112,0
SUPPLY, DELIVERY AND FITMENT OF TYRES	9	DTS 06/2022/2023	NJILO CONSULTING AND LOGISTICS	Pamel of service providers for a period of 36 months for the supply, delivery and fitment of tyres.	R 177 343,44	R 177 343,44	-R 177 343,4
	10	DTS 06/2022/2023	RICHTRAU	Pamel of service providers for a period of 36 months for the supply, delivery and fitment of tyres.	R 1 328 140,29	R 1 328 140,29	-R 1 328 140,2
	11	DTS 06/2022/2023	MALAS	Pamel of service providers for a period of 36 months for the supply, delivery and fitment of tyres.	R 307 260,26	R 307 260,26	-R 307 260,2

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	12	DTS 06/2022/2023	BAWHIT INVESTMENT	Pamel of service providers for a period of 36 months for the supply, delivery and fitment of tyres.	R 413 233,56	R 413 233,56	-R 413 233,5
	13	DTS 06/2022/2023	SQUAREFANE TRADING ENTERPRISE	Pamel of service providers for a period of 36 months for the supply, delivery and fitment of tyres.	R 1 211 621,67	R 1 211 621,67	-R 1 211 621,6
SUPPLY OF YELLOW FLEET	14	DTS 05-2022-2023	NJILO CONSULTING AND LOGISTICS	Appointment letter for a panel of consultants for a period of 36 months on an as when required basic for the supply of rental yellow fleet in Lekwa Local Municipality	R 1 656 852,58	R 1 656 852,58	-R 1 656 852,5
	15	DTS 05-2022-2024	Mavutha Constructors Enterprise	Appointment letter for a panel of consultants for a period of 36 months on an as when required basic for the supply of rental yellow fleet in Lekwa Local Municipality	R 49 500,00	R 49 500,00	-R 49 500,0
TRAINING SERVICE PROVIDER	16	CS01-2022-2023	FACHS BUSINESS CONSULTING & TR	Appointment of Panel for qualified and accredited Training Service Providers to Serve on Lekwa Local Municipality for a period of 36 months	R 349 037,25	R 349 037,25	-R 349 037,2

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ELECTRICAL AND MECHANICAL SERVICES	17	DTS 08-2022-2023	TM Consortium (pty) ltd	Panel of contractors to provide services and as when required basis for a period of 36 months for electrical and mechanical services: Sanitation and water works services.	R 460 621,00	R 460 621,00	-R 460 621,0
	18	DTS 08-2022-2023	Rapid Civil	Panel of contractors to provide services and as when required basis for a period of 36 months for electrical and mechanical services: Sanitation and water works services.	R 2 559 294,18	R 2 559 294,18	-R 2 559 294,1
	19	DTS 08-2022-2023	Zedek	Panel of contractors to provide services and as when required basis for a period of 36 months for electrical and mechanical services: Sanitation and water works services.	R 1 275 111,78	R 1 275 111,78	-R 1 275 111,7
	20	DTS 08-2022-2023	BV Magujwa	Panel of contractors to provide services and as when required basis for a period of 36 months for electrical and mechanical services: Sanitation and water works services.	R 4 126 827,00	R 4 126 827,00	-R 4 126 82
SUPPLY OF ELECTRICAL ITEMS	21	BTO 03-2024-2025	4.Dem – Same Technologies	Appointment for a panel of suppliers for the provision and supply of various electrical items to Lekwa Local Municipality for the period of 36 months	R 3 613 852,00	R 3 613 852,00	- 3 613 85
	22	WS01-2023-2024	Grastine	Appointment for a panel of suppliers for the provision and supply of various electrical items to Lekwa Local Municipality for the period of 36 months	R 552 281,75	R 552 281,75	-R 552 281,7
	23	BTO 03-2024-2025	Likusasa Lethu	Appointment for a panel of suppliers for the provision and supply of various electrical items to Lekwa Local Municipality for the period of 36 months	R 2 243 754,68	R 2 243 754,68	- 2 243 75

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	24	BTO 03-2024-2025	Kwandza Lofistic	Appointment for a panel of suppliers for the provision and supply of various electrical items to Lekwa Local Municipality for the period of 36 months	R	354 330,00	R	354 330,00	-	354 33
	25	BTO 03-2024-2025	SABBY SOLUTIONS	Appointment for a panel of suppliers for the provision and supply of various electrical items to Lekwa Local Municipality for the period of 36 months	R	409 892,72	R	409 892,72	-	409 89
	26	BTO 03-2024-2025	SERENITY GENERAL SUPPLIES	Appointment for a panel of suppliers for the provision and supply of various electrical items to Lekwa Local Municipality for the period of 36 months	R	359 204,10	R	359 204,10	-	359 20
	27	BTO 03-2024-2025	SENNIS ELECTRICAL	Appointment for a panel of suppliers for the provision and supply of various electrical items to Lekwa Local Municipality for the period of 36 months	R	335 560,00	R	335 560,00	-	335 56
SERVICE AND REPAIR OF THE FLEET	28	DTS04-2024-2025	Auto Mania Trading (PTY) LTD	Appointment for a panel of service providers for service and repairs of the municipal Fleet for 36 months on an as need basis	R	229 975,26	R	229 975,26	-	229 97
	29	DTS04-2024-2025	MMN Engineering and Project	Appointment for a panel of service providers for service and repairs of the municipal Fleet for 36 months on an as need basis	R	241 012,85	R	241 012,85	-	241 01
	30	DTS04-2024-2025	SHALAKHO TRADING AND PROJECTS	Appointment for a panel of service providers for service and repairs of the municipal Fleet for 36 months on an as need basis	R	21 575,00	R	21 575,00	-	21 5

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	31	DTS04-2024-2025	SGIJIMANGELO TRADING ENTERPRIS	Appointment for a panel of service providers for service and repairs of the municipal Fleet for 36 months on an as need basis	R	51 360,00	R	51 360,00	-	51 3
LEGAL	32	CS02-2023-2024	KGOMO & NSIBANDE	Panel of consultants for legal practioners (Attorneys)/Law firms to provide litigation and legal advisory services for the period of 3 years.	R	690 495,55	R	690 495,55	-	690
	33	CS02-2023-2024	MJALI & ASSOCIATES ATTORNEYS	Panel of consultants for legal practioners (Attorneys)/Law firms to provide litigation and legal advisory services for the period of 3 years.	R	35 190,00	R	35 190,00	-	35 1
	34	CS02-2023-2024	MANGANYE G. N ATTORNEYS INC	Panel of consultants for legal practioners (Attorneys)/Law firms to provide litigation and legal advisory services for the period of 3 years.	R	327 899,10	R	327 899,10	-	327 8
	35	CS02-2023-2024	NDOBELA & ASSOCIATES INC	Panel of consultants for legal practioners (Attorneys)/Law firms to provide litigation and legal advisory services for the period of 3 years.	R	178 025,19	R	178 025,19	-	178 0
	36	CS02-2023-2024	N.P NGUBANE ATTORNEYS INC	Panel of consultants for legal practioners (Attorneys)/Law firms to provide litigation and legal advisory services for the period of 3 years.	R	148 692,25	R	148 692,25	-	148 6
	37	CS02-2023-2024	MANGANYE G. N ATTORNEYS INC	Panel of consultants for legal practioners (Attorneys)/Law firms to provide litigation and legal advisory services for the period of 3 years.	R	327 899,10	R	327 899,10	-	327 8

Contents

	38	CS02-2023-2024	JT RAPHIRI ATTORNEYS	Panel of consultants for legal practioners (Attorneys)/Law firms to provide litigation and legal advisory services for the period of 3 years.	R 243 298,30	R 243 298,30	-	243 29
	39	CS02-2023-2024	L GUZANA INC	Panel of consultants for legal practioners (Attorneys)/Law firms to provide litigation and legal advisory services for the period of 3 years.	R 51 540,77	R 51 540,77	-	51 54
	40	CS02-2023-2024	KATAKE ATTORNEYS	Panel of consultants for legal practioners (Attorneys)/Law firms to provide litigation and legal advisory services for the period of 3 years.	R 407 506,96	R 407 506,96	-	407 50
	41	CS02-2023-2024	MOHLALA ATTORNEYS	Panel of consultants for legal practioners (Attorneys)/Law firms to provide litigation and legal advisory services for the period of 3 years.	R 464 442,08	R 464 442,08	-	464 44
Medical surveillance	42	CS 03/2022/2023	NNY TRADING	Panel of service providers to provide medical surveillance services for a period of 03 years in Lekwa Local Municipality	R 564 926,00	R 564 926,00	-	564 92
INACTIVE CONTRACTS (EXPIRED IN THE CURRENT YEAR)								

Contents

	NO.	CONTRACT NUMBER	Supplier name	DESCRIPTION OF GOODS/SERVICES/PROJECTS	Contract Value	TOTAL CONTRACT VALUE AFTER EDDITIONS	CONTRACT AMOUN
	1	SC 01/2021/2022	Sinqobile Equestrian Security Services	Provide Security Services	R 122 082 962,43	R 122 082 962,43	-R 122 082 962,4
	2	CS 01-2023-2024	Emalangeni Technologies (PTY) LTD	Appointment for upgrade and procurement of the server room infrastructure	R 2 756 455,69	R 2 831 492,03	-R 2 831 492,0
	3	DCSS 01/2021/2022	Zedek trading 580 CC	Supply, delivery and install precast concrete Palisade fencing to the Rooikoppen cemetery (Sakhile Ext 4, ERF number 7321	R 2 263 504,44	R 2 263 504,44	-R 1 906 98
	4	BTO 05 2021-2022	Kunene Makopo Risk Solutions	Management of Short-Term Insurance Portfolio	R 11 091 769,88	R 11 091 769,88	-R 11 091 769,8
	5	BTO03-2022-2023	Spectrum Utility Management (PTY) LTD	Provision of meter reading service for a period of 36 months	R 3 267 966,96	R 3 267 966,96	-R 455 902,8
	6	MUN-4338	Munsoft	Intergrated financial management system	R 36 930 465,40	R 36 930 465,40	-R 39 013 920,2

Contents

	7	MUN-4338	Munsoft	Optional service for Munsoft as per SLA of Intergrated financial management system (AFS, Valuation roll, BTO training, and Assets)	R 5 588 013,82	R 5 588 013,82	-R 5 588 013,8
	8	DTS 9/2021/2022	Motagane Chem	Chemicals for the purification of water	R 19 327 358,00	R 19 327 358,00	-R 19 327 358,0
	9	BTO 01/2021/2022	Likusasa Lethu OHS Consultants	Panel of providers: Electrical material	R 16 913 945,79	R 16 913 945,79	- 16 913 94
	10	BTO 01/2021/2022	Simon Setuke Distributors	Panel of providers: Electrical material	R 4 429 965,99	R 4 429 965,99	- 4 429 96
	11	BTO 01/2021/2022	Mavutha Constructors Enterprise	Panel of providers: Electrical material	R 20 340 212,12	R 20 340 212,12	-R 20 340 212,1
	12	BTO 01/2021/2022	Nomdric Electrical and Projects	Panel of providers: Electrical material	R 775 905,00	R 775 905,00	-R 775 905,0
	13	BTO 01/2021/2022	Brite Ideas Investments	Panel of providers: Electrical material	R 1 490 096,40	R 1 490 096,40	-R 1 490 096,4

	14	BTO 03/2021/2022	Ngoti Holdings	Provision and Supply Stationery Items to Lekwa Local Municipality up to 30 June 2024	R 5 600 068,07	R 5 600 068,07	-R 5 600 068,0
	15	BTO 03/2021/2022	Dot Com Printers	Provision and Supply Stationery Items to Lekwa Local Municipality up to 30 June 2024	R 2 927 949,35	R 2 927 949,35	-R 2 927 949,3
	16	DTS 11-2023-2024	Mudoita Investment (PTY) LTD	Appointment of installation of VIP toilets at wards 9,12 and 13 in Lekwa Local municipality	R 1 779 975,75	R 2 030 154,35	- 1 916 15
	17	DTS 12-2023-2024	Bidwin (PTY) LTD	Appointment for drilling of boreholes at rural areas at wards (9,12 & 13) in Lekwa Local Municipality	R 806 794,00	R 806 794,00	- 668 70
	18	DTS 13-2023-2024	Lindulwazi Projects	Appointment for Desludging of VIP toilets in rural wards 9,12 & 13 in Lekwa Local Municipality	R 483 000,00	R 483 000,00	- 483 00
	19	DTS 02-2024-2025	Ubuntu Sonke Engineering JV Livhuwani Akwande trading (PTY) LTD	Appointment of Construction of 1.5. Hectare Thuthukani Cemetry Site in Lekwa Local Municipality	R 9 164 488,58	R 9 164 488,58	- 6 541 60

Contents

	20	DTS 03-2024-2025	Notha Africa Civils (PTY) LTD	Appointment of rehabilitation of 1KM road for VRY Street and related Stormwater in Ward 10 in Lekwa Local Municipality	R 9 187 717,83	R 9 490 016,58	- 8 545 92
	21	DTS 01-2023-2024 (PANEL)	A.M Consulting Engineers (PTY) LTD	Consultant for Rehabilitation of Vry Street	R 1 253 772,55	R 1 372 793,96	-R 1 372 793,9
	22	DTS04-2023-2024	MPPM Consulting Engineering	Engineering consultant for planning for closure and rehabilitation of Morgenzon Landfill site in the for Lekwa Local Municipality (Enhanced)	R 913 624,80	R 1 093 624,80	-R 744 868,8

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

The following list indicates the status of disclosure of financial interest for the 2023/2024 financial year.

Disclosures of Financial Interests		
Period 1 July 2024 to 30 June 2025		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
(Executive) Mayor	Delani Louis Thabethe	R120,000 (other financial interest); 50% shares and securities; 50% membership of the close corporation
Member of MayCo / Exco		
	Jan Thabo Sebiloane	Nil
	Sipho Amos Majozi	Nil
	Phindile Cynthia Mahlaba	Nil
	Seipati Mitta Modise	Nil
Councillors		
	Michael Sifiso Mngomezulu	Nil
	Piet Melusi Radebe	Nil
	Mapaseka Molaba	Nil
	Litheko Moses Marago	Nil
	Smanga Phillemon Ngwenya	Nil
	Swazi Albert Tshabalala	Nil
	John Daniel Nkutha	Nil
	Sibusiso Blessing Ngqulunga	Nil
	Thabang Colette Motaung	Nil
	Sesana Witnes Masondo	Nil
	Doctor Robert Manana	Nil
	Malekoa Rose Motloung	Nil
	Sekoele Aubrey Maboea	Nil
	Carlos Alberto Olim Franco	Nil
	Gibson Jabulani Xulu	Nil
	Sithi Aluncedo Silosini	Nil
	Nwabisa Sheila Tlhakudi	Nil
	Dumisani Joseph Msibi	Nil
	Amanda Patricia Mancane Mthimkhulu	Nil
	Oliver Phiri	Nil
	Smanga Laurence Nhlapo	Nil
	Nomakhosi Cynthia Nhlapo	Nil
	Ronald Sello Tsotetsi	Nil
	Jacobus Cornelius Stoltz	Nil
	Wilma Venter	Nil
	Daniel Jakobus Venter	Nil

Municipal Manager	M Jiyane	Property
Chief Financial Officer	V Khatha	Property
Other S57 Officials		
	Acting Executive Manager Development & Planning	N/A
	T Mtshiselwa	Nil
	Acting Executive Manager Corporate Services	N/A
	M Jiyane	Nil
** Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A* *T J*		

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG

R' 000

Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Expanded Public Works Grant	1 643 000	-	1 643 000	0%	0%	Grant aimed at poverty and unemployment alleviation
Financial Management Grant	2 850 000	-	2 850 000	0%	0%	Grant utilised for interns' salaries to advance implementation of MFMA towards meeting minimum competency requirements. Also used for Asset management and financial system enhancement
Integrated National Electrification Programme	8 500 000	-	8 500 000	0%	0%	Grant for electricity connections to households serviced by Eskom within the Municipal jurisdiction
Municipal Disaster Recovery Grant	11 000 000	-	940 269	0%	0%	Grant allocated for rehabilitation of flood and natural disaster damaged services

Municipal Disaster Response Grant	6 625 000		6 625 000			To fund emergency repairs to essential basic services infrastructure, humanitarian relief following a declared state of disaster
Public Contributions and donations	245 423 591		245 423 591			Donation from SANRAL, for roads upgrades projects
Total	276 041 591	-	265 981 860	0%	0%	

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

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

Capital Programme by Project: 2024/2025

R' 000

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %	Name of Grant	Ward(s) affected	Works completed (Yes/No)	Start Date	End Date
Water										
Upgrading of Standerton Water Bulk System phase 2A: Construction of Kieser Reservoir and Pressure Tower.	406	164	164	-146%	-146%	MIG	10	Yes	09-Jan-23	30 Jun 25
Refurbishment/Installation of boreholes in rural/farm areas	2827	3069	3069	8%	8%	MIG	9,12 & 13	Yes	01-Jun-24	30-Jun-25
Sanitation/ Sewerage										
Installation/Refurbishment/Desludging or rural VIP toilets and provision of chemicals for the VIP toilets	2500	2500	2500	0%	0%	MIG	9,12 & 13	Yes	01-Jun-24	30-Jun-25

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Electricity										
Construction of switching station at Rooikoppen - Phase 1	10000	10688	10688	6%	6%	INEP	11	No	01-Jul-24	TBA
Construction of 6km 11kv line between A Substation and Rooikoppen - Phase 1	4620	10325	10325	55%	55%	INEP	7,11	No	01-Jul-24	TBA
Installation of 26 high masts lighting in Sakhile ext 8, Thuthukani, Sivukile and rural areas	7564	16635	16635	55%	55%	MIG	9,12,.13 ,14	Yes	01-Jul-24	30-Jun-25
Retrofitting of High mast lights and street lights with energy efficient lights	4000	4000	4000	0%	0%	EEDSM		Yes	01-Jul-24	30-Jun-25
Roads										
Rehabilitation of 1km Vry Street	11000	11000	110000	0%	0%	MDRG	10	Yes	01-Jul-24	30-Jun-25
Refuse removal										
Rehabilitation of Morgenzon Landfill Site	9395	745	745	-1165 %	-1165 %	MIG	14	No	01-Jul-24	TBA
										T N

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2024/2025

Capital Programme by Project: 2024/2025					R' 000
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Water					
Upgrading of Standerton Water Bulk System phase 2A: Construction of Kieser Reservoir and Pressure Tower.	406	164	164	-146%	-146%
Refurbishment/Installation of boreholes in rural/farm areas	2827	3069	3069	8%	8%
Sanitation/Sewerage					
Installation/Refurbishment/Desludging or rural VIP toilets and provision of chemicals for the VIP toilets	2500	2500	2500	0%	0%
Electricity					
Construction of switching station at Rooikoppen - Phase 1	10000	10688	10688	6%	6%
Construction of 6km 11kv line between A Substation and Rooikoppen - Phase 1	4620	10325	10325	55%	55%
Installation of 26 high masts lighting in Sakhile ext 8, Thuthukani, Sivukile and rural areas	7564	16635	16635	55%	55%
Retrofitting of High mast lights and street lights with energy efficient lights	4000	4000	4000	0%	0%
Roads					
Rehabilitation of 1km Vry Street	11000	11000	110000	0%	0%
Refuse removal					
Rehabilitation of Morgenzon Landfill Site	9395	745	745	-1165%	-1165%
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APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD

Capital Expenditure of 5 largest projects* R' 000					
Name of Project	**Current: 2024/2025**			**Variance: 2024/2025**	
	Original Budget	**Adjustment Budget**	**Actual Expenditure**	**Original Variance (%)**	**Adjustment variance (%)**
Construction of switching station at Rooikoppen - Phase 1	10000	10688	10688	6%	6%
Construction of 6km 11kv line between A Substation and Rooikoppen - Phase 1	4620	10325	10325	55%	55%
Installation of 26 high masts lighting in Sakhile ext 8, Thuthukani, Sivukile and rural areas	7564	16635	16635	55%	55%
Retrofitting of High mast lights and street lights with energy efficient lights	4000	4000	4000	0%	0%
Rehabilitation of 1km Vry Street	11000	11000	110000	0%	0%

Construction of switching station at Rooikoppen - Phase 1	
Objective of Project	Improve electricity supply
Delays	Budgetary constraints
Future Challenges	None
Anticipated citizen benefits	Improve access to electricity supply
Construction of 6km 11kv line between A Substation and Rooikoppen - Phase 1	
Objective of Project	Improve electricity supply
Delays	Budgetary constraints
Future Challenges	None
Anticipated citizen benefits	Improve access to electricity supply
Installation of 26 high masts lighting in Sakhile ext 8, Thuthukani, Sivukile and rural areas	
Objective of Project	Provision of public lighting
Delays	Energising of lights in Eskom area of supply
Future Challenges	None
Anticipated citizen benefits	Improve public lighting
Retrofitting of High mast lights	

and street lights with energy efficient lights	
Objective of Project	Reduce electricity supply
Delays	None
Future Challenges	None
Anticipated citizen benefits	Improved public lighting
Rehabilitation of 1km Vry Street	
Objective of Project	Improve road infrastructure
Delays	Rain
Future Challenges	None
Anticipated citizen benefits	Improved road infrastructure
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APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics					
Establishments lacking basic services	**Water**	**Sanitation**	**Electricity**	**Solid Waste Collection**	**Other**
Schools (NAMES, LOCATIONS)					
Madi School					Fencing
Nqobangolwazi School					General maintenance
Clinics (NAMES, LOCATIONS)					
Thuthukani					Currently mobile clinic service
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.					

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	**Scale of backlogs**	**Impact of backlogs**
Clinics:		

Thuthukani (Ward 12)	Mobile Clinic that does not adhere to schedule	Preventable and curable illnesses not attended to, resulting in loss of lives from potentially preventable and curable illnesses. Traveling of long distances to get to available clinic and medical services
Morgenzon (Ward 14)	Available clinic does not provide 24-hour service	Preventable and curable illnesses not attended to, resulting in loss of lives from potentially preventable and curable illnesses. Traveling of long distances to get to available clinic and medical services
Housing:		
Shortage of RDP Housing (Various wards)	7129 informal dwellers	Illegal invasion of unserviced land places extra demand on municipal infrastructure
Police Stations		
Thuthukani (Ward 12)	Area expanding and insufficient policing with closest police station in Standerton	Increase in crime levels; Delay in reporting and responding to crimes
Eskom Service Centre		
Morgenzon (Ward 14)	Eskom as electricity provider do not have local office for fault reporting and other queries	Turnaround time to attend to reported faults and dealing with other queries takes longer.
Community Halls and Thusong Centres		
Ward 3	Community halls in need of major repairs and maintenance	Available community facilities not being utilised due to disrepair. Leads to vandalism
Ward 14	Community halls in need of major repairs and maintenance	Available community facilities not being utilised due to disrepair. Leads to vandalism
Schools (Primary and High):		
Primary School (Ward 14)	1 existing school in the area	Overcrowding of classes; learners traveling long distances to get to existing schools
High School (Ward 11)	1 existing school in the area	Overcrowding of classes; learners traveling long distances to get to existing schools
Sports Fields:		
Morgenzon (Ward 14)	Only 1st phase of sports precinct completed	Available facility incomplete and thus being underutilized
Various wards	Recreational facilities not safe with no security fencing	Recreational facilities and parks not safe for children to play in
Other:		
Agrivillages and grazing land	Land for small scale farming not available	Livestock grazing in and around town which can cause safety and health hazards
Burial space	Rate at which burial space is utilized increasing	Unavailability of burial space may create backlogs in burials
		T Q

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

The Municipality had no loans and grants that were made to any organisation or person for the 2023/2024 financial year.

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APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	**Progress to date**	**Number or Percentage Achieved/Comment**
Output: Improving access to basic services	The following are findings as indicated in the final management report as issued by the Auditor General:	Development of infrastructure master plans is crucial for the timely implementation of maintenance programmes
	The municipality did not have an approved policy to address routine maintenance of water infrastructure.	
	The municipality did not plan for the maintenance of water infrastructure by setting specific time frames and targets	
	Targets and time frames for routine maintenance of water infrastructure were not achieved.	
	Conditional assessments were not done on water infrastructure to inform the routine water infrastructure maintenance plan and budget.	
	The municipality did not have an approved roads maintenance plan (RMP) for the renewal and routine maintenance of roads infrastructure.	
	The municipality did not perform condition assessments for all roads infrastructure under its control to inform the roads maintenance plan.	
	There was no approved priority list of roads infrastructure for the renewal and routine maintenance projects, which is used as a basis for the RMP.	
	The municipality had not implemented corrective actions to address all findings raised in the previous year.	
Output: Implementation of the Community Work Programme	1023 CWP workers as at 30 June 2025	100% achieved. Anticipated increase in number of CWP workers for the 2024/2025 financial year
Output: Deepen democracy through a refined Ward Committee model	Ward Committee model implemented with ward committee members earning monthly stipend. The establishment of war rooms has further strengthened and deepened democracy within the Municipality	Non-functional ward committees and war rooms to be revived as not all ward committees and war rooms are fully functional
Output: Administrative and financial capability	As per the audit findings and the management letter, the municipality is unable to meet its financial obligations due to cash flow constraints. In addition, in respect of providing effective leadership based on a culture of honesty, ethical business practices and good governance and protecting and enhancing the interest of the municipality, it has remained unchanged from the previous year, thus there is room for improvement.	Internal controls and standard operation procedure implementation must be strengthened to improve the administrative and financial capabilities.
** Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.* T S		

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements (AFS) in respect of the 2024/2025 financial year for the period ended 30 June 2025, was submitted to the Auditor General and subsequently audited and is hereto annexed as Volume II to the 2024/2025 Annual Report.

VOLUME II